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Printed for the use of the Colonial Office

Middle East
No. 42

Confidential.

PALESTINE.

ESTIMATES AND FINANCES, 1931.

CORRESPONDENCE.

(*In continuation of Middle East No.* 41 ; *continued by Middle East No.* 47.)

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CORRESPONDENCE.

(In continuation of Middle East No. 41; continued by Middle East No. 47.)

PALESTINE.
ESTIMATES AND FINANCES, 1931.
CORRESPONDENCE.

C. 87089/2/31 [No. 1].

No. 1.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 5th January, 1931.)

[*Answered by No.* 6.]

(Confidential.)

High Commissioner's Office, Jerusalem,
27th December, 1930.

MY LORD,

I HAVE the honour to forward to Your Lordship the draft Estimates of Revenue and Expenditure of the Palestine Government for the year 1931.*

2. The total estimated revenue for 1931 is £P.2,533,100, and the total estimated expenditure amounts to £P.2,531,518. There is thus an anticipated surplus on the year's working of £P.1,582.

3. It has been necessary, in the course of the preparation of these Estimates, to revise, in accordance with Your Lordship's telegram No. 300 of the 20th November,† the figures which are given, for purposes of comparison, in the columns headed Approved Estimates, 1930.

I am forwarding to Your Lordship under separate despatch‡ a memorandum by the Treasurer dated 5th December, 1930, in which the steps which have been taken to give effect to Your Lordship's instructions in regard to the 1930 Estimates are fully set out.

4. It will be observed from the Abstracts in the Estimates that the latest total revised estimated revenue for 1930 is £P.2,421,600, and that the latest total revised estimated expenditure for 1930 is £P.2,492,050, thereby leaving a deficit of £P.70,450 for 1930.

Your Lordship will realize that extraordinary circumstances in 1930 necessitated a reduction of revenue by the remission of tithes to the extent of £P.70,000, and that during the same period expenditure was increased by reason of the payment of £P.100,000 in respect of compensation for riot damage, of £P.28,000 in respect of the locust campaign, and of £P.35,000 in respect of the writing off of the advances to the Jerusalem Municipality for water supply.

Your Lordship is also aware of the additional expenditure which has been unavoidably incurred in 1930 on account of the increased establishments of Police, which will cause an excess on the Police Vote of £P.69,921, the increased contribution for Defence for which a provision of £P.50,000 has been made, and on account of the increased establishment of the Trans-Jordan Frontier Force, which will cause an excess of the Votes for the Force of £P.94,969 in respect of which the revised contribution of His Majesty's Government will come into effect only from the 1st April.

5. The effect of the foregoing operations will result in a surplus balance at the 31st December, 1931, which is estimated at £P.704,202, as under:—

	£P.
Actual surplus at the 31st December, 1929	773,070
Estimated deficit, 1930	70,450
Estimated surplus at the 31st December, 1930	702,620
Estimated surplus, 1931	1,582
Estimated surplus at the 31st December, 1931	£P.704,202

This surplus balance, however, is committed to the extent of some £P.313,000 as under:—

	£P.
Contribution to Railway Renewals Fund for 1929, 1930, 1931 ...	150,000
Compensation to the Régie des Tabacs (approximately)	52,000
Ottoman Public Debt	76,430
Agricultural Loans	25,000
Compensation for damage done by earthquake to Government House, Mount of Olives, say	10,000
	£P.313,430

* Not reprinted. † No. 25 in Middle East No. 41. ‡ No. 30 in Middle East No. 41.

There will, therefore, be an available surplus balance of £P.390,772 which is not an excessive amount to provide against a possible failure of revenue and for a Treasury working balance.

6 I enclose a memorandum which explains in detail the variations in the draft Estimates of Revenue and Expenditure for 1931 as compared with the Estimates for 1930 as revised.

I also enclose a memorandum by the General Manager, Railways, dated the 10th October, 1930.

7. The estimated revenue for 1931 shows a net increase over the estimate for 1930 as revised of £P.222,320. This increase is largely explained by the restoration of the revenue from tithe, from £P.150,000 in 1930 to £P.220,000 in 1931, the increase in the Grant-in-Aid by £P.114,020, the increase in receipts from Profits of Currency, which should, in 1931, amount to £P.40,000 as compared with £P.20,000 actually received in 1930, and an increase in Posts and Telegraphs receipts of £P.11,200.

On the other hand, there is a decrease of £P.19,000 in revenue from interest owing to the diminishing surplus and loan fund balances.

8. The estimated expenditure for 1931 shows increases under Heads amounting to £P.390,683 and decreases under Heads amounting to £P.160,530. The decreases are mainly accounted for by the provision in 1930 of £P.28,000 for the locust campaign, £P.100,000 for compensation for riot damages, and £P.35,000 for the writing off of the Jerusalem Water Supply advance.

The increase is largely explained by the unavoidable increases, most of which have been approved by Your Lordship in 1930 under Trans-Jordan Frontier Force Votes amounting to £P.63,666 and under the Police Vote amounting to £P.90,666.

By far the largest increase occurs under Public Works Extraordinary. The amount of £P.261,840 being provided in 1931 as compared with the provision of £P.158,783 in 1930, as revised, represents an increase of £P.103,057. The estimate of £P.158,783 for Public Works Extraordinary in 1930 is, however, the estimate as revised in November, 1930, by deleting provision for works aggregating £P.126,216, which at that date had not been commenced or which could be curtailed.

Of the total estimate of £P.261,840 provided for Public Works Extraordinary in 1931, £P.112,327 is in respect of approved works in progress and £P.63,589 is in respect of works for which provision was made in the draft printed Estimates for 1930 or approved subsequently and to provide funds for their continuation.

The sum of £P.75,924 only is for new works, of which £P.19,225 is for works required by the Police mainly to give effect to the scheme of reorganization.

The provision of £P.38,000 for Defence, which shows an increase of £P.7,500 as compared with the provision in the Estimates for 1930 does not, however, include any additional contribution towards the cost of the troops in Palestine. In the year 1930 an additional contribution of £P.50,000 was found from surplus balances, but in view of the financial position I have not found it possible to insert in the draft Estimates for 1931 any additional contribution beyond the sum of £P.38,000.

The Railway Estimates for the Palestine Railways proper show a deficit of £P.49,861, excluding provision for the Railways Renewal Fund. As explained by the General Manager, Railways, in the memorandum, which forms Enclosure III to this despatch, the deficit is mainly caused by a fall in revenue due to the loss of oil traffic from Egypt and fruit traffic to Egypt, the result of protective measures by the Egyptian Government and to an increase in expenditure necessitated by the provision in 1931 of adequate sums for the maintenance of the permanent way, locomotives, and rolling stock. The expenditure of the Kantara-Rafa Railway and the Hejaz Railway are similarly increased The estimated profits on the Kantara-Rafa Railway and the Hejaz Railway in 1931 are reduced to £P.6,511 and £P.3,857 respectively.

9. In submitting the draft Estimates for 1931 to Your Lordship, I wish to emphasize that the estimates of expenditure have been minutely scrutinized with a view to reducing them to the minimum consistent with the efficient execution of essential services. I am satisfied that no further substantial reduction is possible without the curtailment of these services; indeed, as Your Lordship is aware, His Majesty's Government are contemplating an increase in certain services by the provision of loan funds.

The largest factor in the problem of balancing the Palestine Estimates is the need for providing for the cost of the Police and Defence, including the Trans-Jordan Frontier Force, sums far beyond the capacity of the people of Palestine to pay. Until the relations between the two sections of the population so improve as to permit of

a substantial reduction of such expenditure, I see no prospect of balancing the Palestine Estimates without the aid of His Majesty's Government.

10. I trust that, in the light of these explanations, Your Lordship may find it possible to give early approval to the draft Estimates for 1931.

I have, &c.,
J. R. CHANCELLOR,
High Commissioner for Palestine.

Enclosure 2 in No. 1.

MEMORANDUM ON REVENUE AND EXPENDITURE ESTIMATES, 1931.

REVENUE.

Head I.— Customs.

Estimate £P.975,500

The revenue from this source has shown the following progressive increases:—

	£P.
1927	766,859
1928	892,278
1929	917,050

The exceptional increase in 1928 was largely due to the revision of the Customs tariff in that year.

The revised estimate for 1930, based on actual receipts for ten months, is £P.975,500; and receipts for 1931 are estimated at the same figure.

Head II.—Port and Marine.

	£P.
Estimate	9,200
Increase	500

The increase of £P.500 from Lighthouse fees is based on current receipts.

Head III —Licences, Taxes, &c.

	£P.
Estimate	805,900
Increase	85,800

Quarry Licences, payable under the Mining (Amendment) Ordinance, 1925, are now shown separately from Limekiln Licences, and the latter are included with Wood-cutting and Charcoal Licences under a general sub-head "Licences—Forestry," all of which are payable under the Forests Ordinance, 1926. A new sub-head has been inserted for "Licences—Advocates" formerly included under "Licences—Other."

The receipts from Road Transport Licences estimated at £P.30,000 show an increase of £P.2,000 due to an anticipated increase in the number of licensed cars.

The collection of the Urban Property Tax in substitution for the House Tax has been further extended and collections therefrom in 1931 are estimated at £P.90,000. The anticipated increase of £P.5,000 under this sub-head is mainly due to the extension of the Urban Property Tax which in Haifa and Acre will be higher than the present assessment of Musaqafat Tax.

The increase of £P.70,000 from Tithes is due to the fact that the rate of tithe was temporarily reduced in 1930, owing to the low price of cereals, as approved by the Secretary of State in his telegram No. 194 of the 14th July, 1930.*

The estimated increase of £P.1,000 from Stamp Duty is based on current receipts.

It is anticipated that the revision of the Wine and Spirit Excise Duties will increase the receipts from this source by £P.5,000.

£P.26,180 was collected in 1929 from Fines and Forfeitures and it is estimated that receipts from this source in 1931 will reach £P.27,000.

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* C. 77304/30 [No. 15]: not printed.

Head IV.—Fees of Court, &c.

	£P.
Estimate	242,300
Increase	8,800

A new sub-head (23) has been inserted for Reimbursements—Railways (£P.8,000) which is made up of the following reimbursements in respect of services performed by :—

	£P.	
Audit Department	2,600	Previously shown as a reduction of expenditure.
Department of Health	1,400	Previously shown under Reimbursements—Miscellaneous.
Police and Prisons (Jail Labour Companies)	4,000	Previously shown under Reimbursements—Miscellaneous.
	£P.8,000	

[redacted]

The contribution of £P.1,000 from the Empire Marketing Board, previously included in Reimbursements—Miscellaneous is now shown separately under Sub-head 25.

The anticipated increases of £P.1,000 each from Court fees and Veterinary receipts are based on current receipts. On the other hand, there has been a falling off this year in the receipts from Warehouse rent, and the Director of Customs anticipates that the revenue from this source in 1931 will fall short by £P.1,000 of the estimate of £P.7,000 for 1930.

The increases under Passport fees (£P.1,000), Quarantine fees (£P.1,000), and Registration of Immigrants fees (£P.2,000) are based on the actual revenue received from these sources in 1929.

It is anticipated that increased receipts of £P.1,000 will be received from Fruit Inspection fees as a result of extended operations.

The estimate of revenue in 1931 from Plant Fumigation fees has been reduced from £P.4,500 to £P.500. In 1928 a scheme was approved in principle for making a general levy by consent on the owners of orange groves in the southern area of Palestine to pay for the fumigation of all orange groves in the northern area in order to eradicate the black scale in the latter area which was threatening to invade the heavily planted southern area. In view of anticipated collections the estimated revenue from this source was increased to £P.4,500 in 1929. The negotiations for general agreement to the levy, however, were unsuccessful and the question of framing legislation for the imposition of the levy has not yet reached a stage which would justify the estimate of increased revenue in 1931. There are also arrears in respect of fumigations fees, the collection of which has been rendered difficult by the depression in the agricultural industry.

It has been necessary to reduce the estimate for Customs fees to £P.500 owing to the abolition of transit fees between Syria and Palestine.

Head V.—Posts and Telegraphs.

	£P.
Estimate	223,200
Increase	11,200

The revenue from the sale of stamps shows the following progressive increases :—

	£P.
1927	80,464
1928	83,842
1929	87,979

The revised estimate of revenue for 1930, based on actual receipts for ten months, is £P.92,000; and it is anticipated that there will be a further increase to £P.95,000 in 1931.

The extension of the Telephone service has resulted in a progressive increase of revenue as under :—

	£P.
1927	50,185
1928	61,622
1929	72,624

The revised estimate of revenue from this source in 1930, based on actual receipts for ten months, is £P.76,000 and a further increase to £P.83,000 is anticipated in 1931.

Head VI.—Revenue from Government Property.

	£P.
Estimate	18,000
Increase	1,000

The increase of £P.1,000 from rents from officials is based on current receipts.

Head VII.—Interest.

	£P.
Estimate	67,000
Decrease	19,000

It is estimated that the interest from the investment of Loan Funds and surplus balances will realize £P.65,000 in 1931 or £P.15,000 less than the estimate for 1930. The total sum invested at the 30th September last was £P.1,819,588, and it is estimated that an average amount of £P.1,625,000 will be invested during 1931 at an average rate of interest of 4 per cent. per annum. The interest from sundry advances to Municipalities and to villages for water supplies, &c., under Sub-head 3 is not expected to realize more than £P.1,000 in 1931.

Head VIII.—Miscellaneous.

	£P.
Estimate	45,000
Increase	21,000

The increase of £P.1,000 from Sundries is based on actual receipts, and profits from Currency, from which £P.20,000 was received this year, are increased to £P.40,000 owing to the increase in currency in circulation.

Head IX.—Land Sales.

	£P.
Estimate	4,000
Decrease	1,000

The estimate of revenue from sales of State Domains has been reduced from £P.2,000 to £P.1,000 as fewer sales are anticipated.

Head XI.—Grant-in-Aid.

	£P.
Estimate	143,000
Increase	114,020

The details of the estimate under this Head are set out in the remarks column of the Estimates. The increase is due to the revision, from 1st April, 1930, of the basis of the allocation of expenditure of the Trans-Jordan Frontier Force between His Majesty's Government and Palestine.

Items 1 *and* 3.—The changes in the provision for Pensions and Gratuities (Item 1) are shown in Appendix B. The provision for Pensions to ex-Turkish Government employees (Item 3) is based on the actual pensions payable under the Pensions (Ottoman Service) Ordinance, 1926.

EXPENDITURE.

Head I.—Pensions.

	£P.
Estimate	18,060
Increase	2,500

Head II.—Public Debt and Loan Charges.

	£P.
Estimate	124,348
Increase	11,746

The increase is due to insertion of the provision for two half-yearly instalments of the Sinking Fund, payable in May and November, 1931, at the rate of 11s. 8d. per cent. The allocation of the interest charges, management charges and sinking fund instalments between the Railways and other Heads is shown in the Remarks column of the Estimates.

The apportionment of the provision under Items 1 and 3 between the Railways and other Heads is slightly changed owing to the exclusion of an amount of £P.8,800 for Engines and Generators at the Kantara Workshops from the apportionment of the settlement of £1,000,000 for assets taken over from the Army.

Head III.—His Excellency the High Commissioner.

	£P.
Estimate	7,827
Decrease	390

Item 4.—Provision is now made for the payment of a personal allowance of £P 100 to Mr. L. G. A. Cust, Assistant Secretary, Class 2, while performing the duties of Private Secretary, and provision for the salary of a Private Secretary has been deleted. These changes have been reported to the Secretary of State.

Item 5.—The decrease of £P.60 is due to the change in the holder of the appointment of House Steward.

Item 8.—Owing to the larger number of public rooms in the new Government House, it is necessary to increase the provision under Item 8, Cleaning Public Rooms, by £P.100.

Item 11.—It has been found possible to reduce the provision for telegrams, telephones, and postage by £P.30.

Head IV.—Secretariat.

	£P.
Estimate	21,608
Increase	2,653

Item 9.—Provision has been inserted for the payment of an allowance to the Secretary of the Standing Committee for Commerce and Industry at £P.30 per annum as approved by Colonial Office despatch No. 128 of 18th February, 1930.*

Items 10 *and* 11.—Provision has been made for an additional Assistant Secretary in Class 2 as approved by the Secretary of State in December, 1929.

Item 16.—The salary of the Inspector of Welfare Work has been increased to £P.550 per annum, as approved by Colonial Office despatch No. 1060 of 30th December, 1929.†

Item 18.—Provision is made under this item for the regrading of the appointments of the two Chief Interpreters as approved by Colonial Office despatch No. 920 of 7th November, 1929.‡

Item 20.—The establishment of Clerical Officers has been increased by one post in Grade II and two posts in Grade III, as approved by the Secretary of State in 1930. The post in Grade I of Mr. J. Blumenfeld, Clerk Grade I, seconded to Land Settlement, is now temporarily filled by Mr. F Simon in Grade II and two additional Grade III posts are required to supplement the present clerical staff which is continuously and seriously overworked.

Item 22.—It has been found necessary to increase the provision for messengers, cleaners, and labourers by £P.24 as reported in High Commissioner's despatch No. 1043 of the 20th [? 22nd] November, 1930.§

Item 23.—The increase is due to the adjustment of this officer's salary, as approved by the Secretary of State in October, 1929.

Item 37.—The increase of £P.300 in the provision for telegrams, telephones, and postage is due to increased telegraphic correspondence in connexion with Trans-Jordan affairs. It was necessary to supplement the provision in 1930 by £P.500 as reported in High Commissioner's despatch No. 1043 of the 20th [? 22nd] November, 1930.

* C. 77081/30 [No. 4] : not printed.
‡ C. 67177/29 [No 13] : not printed.
† P.F. 19698 M.E. : not printed.
§ C. 77103/30 [No. 9] : not printed.

Head V.—District Administration.

	£P.
Estimate	97,845
Increase	7,724

Items 9 *to* 11.—The decreases are due to the existence of two vacancies of District Officers consequent upon the transfer of Mr R. D. Badcock to the Immigration and Travel Section and Ruhi Bey Abdul Hadi to the Secretariat.

Item 12.—The increase is due to the fact that the emoluments of two officers supernumerary to Class 3 were previously met from the provision for District Officers, Class 2, and the appointments of these officers have now been included under this item and their emoluments provided pending the completion of the establishment of District Officers. The establishment now shown includes the appointment of Mr. G. Kort, of the Jerusalem Division, whose emoluments were previously met from the Police and Prisons vote.

Item 14.—This item is to provide for the allowance of £P.30 per annum, payable to Mr. J. Jacobs, Secretary of the Censorship Board as approved by Colonial Office despatch No. 199 of the 20th March, 1930.*

Item 16.—The establishment of Clerical Officers shows a net increase of three. Provision is made for four new appointments and for the emoluments of seven temporary officers required to replace seven officers seconded to Land Settlement. On the other hand one appointment in Grade II has been transferred to the Department of Agriculture and Forests (see Head XIII, Item 9).

The eleven additional officers are required to supplement the existing staff at Nazareth (1), Safad (1), Ramallah (1), Jerusalem (3), and for the reopened District Office at Ramleh (5).

With regard to the additional clerks at Nazareth and Safad it was found necessary to supplement the clerical staff at these places during 1930, and the emoluments of the temporary officers employed were met from the provision for temporary Clerical Assistance. It is now essential to make provision for the retention of these two temporary clerks. The clerk at Nazareth is required for the work of the Area Officer at Nazareth and for Hebrew translations, and the clerk at Safad is required as a typist and for Arabic translations

With regard to the appointments for Ramallah and Jerusalem it was necessary to appoint two additional clerks whose emoluments were met from the provision for temporary clerical assistance. The revenue work at Ramallah is very considerable and the Deputy District Commissioner reports that the retention of the temporary clerk is necessary as prior to his appointment the clerical establishment at Ramallah was inadequate for the duties of the Revenue Section and for the very considerable routine work in connexion with the District Officer's magisterial duties. The increase for the Jerusalem Division is necessitated by the inadequacy of the present staff of the Revenue Section at Jerusalem and the considerable amount of local administrative detail at Jericho since the withdrawal of the District Office from that Station. The question of the reopening of the District Office at Ramleh and of the staff for that office was referred to the Secretary of State in September last.

Item 18.—It was necessary to employ seven extra tax-collectors in the Jerusalem Division in 1930, and of these it will be necessary to retain three on a permanent basis. Provision has been made accordingly.

Item 19.—The increase is required to provide for messengers for the District Office, Haifa Area, and Headquarters, Jerusalem Division, respectively, a caretaker for the District Office, Ramallah, and an increase of salary for the messenger at Ramallah.

Item 29.—The increase is required to provide for allowances payable to an increased number of touring officers.

Item 34.—The provision for Assessment Expenses, Urban Property Tax, was previously shown under Head XXIV, Miscellaneous, and is now transferred to this Head according to the instructions in the memorandum accompanying Colonial Office despatch No. 916 of 21st November, 1930.† The provision of £P.5,875 is required for the completion of original assessments at Nazareth, Safad, Beersheba, Bethlehem, Beit Jala, and Ramallah, for new assessments at Jenin, Hebron, and Jericho; and for annual revision of assessments at Jerusalem, Haifa, Nablus, Tiberias, Tulkarem, Beisan, Acre, Jaffa-Tel-Aviv, Gaza, Ramleh, and Lydda.

* C. 77167/30 [No. 2] : not printed.
† No. 26 in Middle East No. 41.

Item 35.—The increase is necessary to provide for remuneration to Mukhtars on estimated collections.

Items 31, 39, *and* 40.—The reason for the minor increases under these items is shown in the Remarks column of the Estimates.

Item 41.—The increase is required for the purchase of five Arabic typewriters for the Southern District which are urgently needed by the Sub-District Offices and for one duplicator for the District Office, Ramleh.

Head VI.—Legal Department.

	£P.
Estimate	8,859
Increase	20

Item 19.—The increase of £P.150 is necessary to meet the cost of additional lectures in 1931.

Head VII.—Judicial Department.

	£P.
Estimate	93,028
Increase	4,910

Items 11 *and* 17.—The appointment of three Magistrates in Class I and three Magistrates in Class III was approved by the Secretary of State.

Items 21 *to* 33.—The variations indicated under these items are consequent on the adoption of the semi-specialized cadre which has been approved for this Department.

Items 37 *and* 38.—The increased provision for extra clerical assistance and for process servers is required in order to cope with the work of the six additional Magistrates whose appointments have been approved.

Item 58.—The provision for railway fares and freight in 1930 was inadequate owing to the curtailment of motor transport to a minimum.

Item 59.—The increase of £P.30 for lighting and heating is required for sufficient heating of the Courts during the winter season.

Item 62.—The provision for Counsel's fees on capital charges was inadvertently omitted from the 1930 Estimates.

Item 67.—The increased provision is required for the purchase of diaries estimated at £P.12 and for the purchase of cleaning material at the rate of £P.2 per annum per Court.

Head VIII.—Treasury.

	£P.
Estimate	16,264
Decrease	54

Item 21 —The purchase of a typewriter is required to replace an unserviceable machine.

Head IX.—Audit Department.

	£P.
Estimate	12,746
Increase	3,548

Item 5.—It is proposed to strengthen the supervisory staff of the Audit Department by the appointment of a qualified Colonial Audit Officer, and accordingly provision has been made under Item 5 for an Assistant Auditor in Class II.

Items 9 *and* 11.—An increase of 6 clerical officers is proposed, of whom one (Item 11) is seconded to Trans-Jordan. The Auditor is of opinion that 30 new clerical appointments will be necessary to admit of substituting full audit for test checking in cases where, owing to the nature of the accounts, it is undesirable to confine the examination to tests. But since, with a comparatively small supervisory staff, it might not be possible to train more than a limited number of recruits, and owing to the financial position, the proposal is at present confined to the appointment of 6 clerical officers.

Item 18.—The contribution from the railways towards the cost of the Audit Department is now shown under Revenue Head IV, Item 23, instead of as a deduction from expenditure as previously.

The minor increases under Other Charges are explained in the Remarks column of the Estimates.

Head X.—Customs, Excise and Trade.

	£P.
Estimate	74,839
Increase	5,942

Items 1, 4, *and* 5.—The promotions of the Director to Grade C and of the Deputy Director to Grade F have been approved by the Secretary of State.

Items 12 *and* 14.—The post of Collector at Haifa which was shown in 1930 Estimates in Class II is now provided for under Item 14 in Class III, since the revision of the Grade proposed in 1930 was not approved.

Items 22, 25, 27, 29, *and* 32.—The provisions under these items show the following changes:—

Increase.	*Decrease per mensem.*
Item 22—1 Officer, Class I	*Item* 32—1 Officer at £P.25
	Item 29—1 Officer at £P.15
Item 25—4 Officers, Class III	*Item* 32—1 Officer at £P.20
	Item 32—2 Officers at £P.18
Item 27—3 Officers, Class V	*Item* 29—3 Officers at £P.8

The Tobacco Factory Superintendent at Nablus, the three Assistant Tobacco Factory Superintendents at Jaffa, Haifa, and Nablus (Item 29) and the four Superintending Distillery Officers at Richon Le Zion, Jaffa, Haifa, and Jerusalem (Item 32) have hitherto been shown as unclassified and temporary. Now that the Excise branch has been established for some years and is developing, it is considered desirable that the senior supervisory officers should be brought into the graded and permanent establishment of the Department. The proposal is an extension of the principle adopted in the Estimates for 1928 and approved in the case of the Tobacco Factory Superintendents at Jaffa and Haifa.

Items 25, 26, 27, 28, 31, *and* 33.—Provision has been made under these items for the following increases:—

Item 25—6 Officers, Class III.
Item 26—1 Officer, Class IV.
Item 27—6 Officers, Class V.
Item 28—2 Officers, Class VI.
Item 31—2 Tobacco Field Officers at £P.15 *per mensem.*
Item 33—1 Craneman at £P.10 *per mensem.*

Items 25, 26, 27, *and* 28.—Two Class III officers are required at the Oil Area (Item 25), Haifa, where new tanks have recently been erected by the Shell Company of Palestine, Limited, and the Vacuum Oil Company. Imported petroleum and motor-spirits are now stored in bond; and the distance of the installation from the Customs House and the necessity for frequent issues from bond require the whole-time services of two officers.

A new appointment in Class III (Item 25) is also required for the Railway Customs Office at Jaffa. There is no railway connexion with the Port, and it is necessary to make adequate provision for Customs formalities to be effected at the railway terminus, Jaffa, where the work is steadily increasing.

A new appointment in Class III (Item 25) is required for the Rosh Pinah Customs Frontier Station. The heavy traffic from Damascus is dealt with at this station, where there are only two officers. One of these officers is required to visit Metulla and Safad several times a month, and to go out on anti-contraband work. This station is thus often in the charge of one officer while the traffic of both passenger cars and goods lorries is practically continuous by day and night.

A new appointment in Class III (Item 25) is required for the Metulla Customs Frontier Station where there is only one officer who is at present unable to cope with his anti-contraband duties owing to his inability to leave the station in his charge, where he is also required to be available for night duty.

One officer in Class III (Item 25) is required to take charge of the Ras el Nakura Customs Frontier Station, which is in the course of construction and will be available early in 1931. Hitherto, the British Police at Ras el Nakura, in addition to the police duties, were charged with the examination of passenger baggage, while merchandize imported via this route was cleared at either Acre or Haifa. The new Customs Station at Ras el Nakura will deal with both passenger baggage and the clearance of merchandize. Three other officers will also be required for this Station, one in Class IV (Item 26), one in Class V (Item 27), and one in Class VI (Item 28).

Five officers, namely :—

2 Typists at Jaffa,
1 Store-keeper at Jaffa,
1 Typist at Haifa, and
1 Typist at Jerusalem

have been employed for a considerable time as temporary officers, but their services are required permanently and cannot be dispensed with. It is considered necessary that they should be borne on the graded Customs establishment and not met from the vote for temporary officers which is essentially for casual employment. Provision has accordingly been made for these five officers in Class V (Item 27). It will not be possible, however, to decrease the provision for temporary officers (Item 35) since the provision in 1930 was inadequate.

One appointment in Class VI (Item 28) is required for the Customs Frontier Station at Khan Yunis where there is only one officer and it has become necessary to provide another officer for night duty.

Two additional Tobacco Field Officers (Item 31) are required for Jericho and Tarshiha. The quantity of tobacco that has to be weighed and registered at this station is greater than can be efficiently handled by the present establishment of one officer. The officer for the Jericho Area is required for anti-contraband work in connexion with the smuggling of tobacco from Trans-Jordan.

The appointment of one craneman (Item 33) is required for operating a new electric crane which has been erected at Jaffa.

Item 34.—The provision in 1930 Estimates was insufficient and a Special Warrant in the amount of £P.1,700 was authorized, vide Secretary of State's telegram No. 25 of 1st February, 1930.* The actual expenditure in 1929 amounted to £P.9,407.

Items 37 *and* 38.—The provision in 1930 for transport and travelling and for railway fares and freight was inadequate.

Item 40.—The estimate for clothing is based on an annual issue to Tobacco Field Officers, Customs Guards, Boatmen, and Quay Staff amounting in value to £P.1,050, and includes provision of £P.350 for initial issues in accordance with the approved scale.

Item 44.—Provision has been inserted under this item for the supply of electric power for operating lifts and the new electric crane erected at Jaffa.

Item 49.—The provision of £P.100 under this item is required for the purchase of secure padlocks for Distilleries, Tobacco Factories, and Customs Warehouses.

Item 50.—The provision under this item is required for the purchase of tents for guards established at shipping localities along the coast during the melon season.

Head XI.—Department of Health.

	£P.
Estimate	111,341
Increase	2,790

The following increases in the establishment have been provided in the Estimates :—

Item 6.—1 Senior Medical Officer £P.750—25—950.
Item 14.—1 Motor Disinfecting Lorry Driver at £P.100 per annum.
Item 31.—2 Probationer Nurses £P.72 per annum.
Item 34.—1 Assistant Dispenser, Grade V, £P.96—6—132.
Item 37.—2 Hospital Attendants £P.120.
Item 38.—Increase in number of Hospital servants £P.148.
Item 47.—4 Sanitary Sub-Inspectors £P.96—6—132.
Item 48.—1 Anti-malarial Sub-Inspector £P.72—6—96.
Item 49.—Sanitary Labour £P.168.
Items 63 *and* 64.—Medical Entomologist £P.550—25—750.
Item 70.—1 Laboratory Attendant £P.144—6—180
Item 71.—1 Laboratory Attendant £P.96—6—132.
Item 72.—Attendants, Messengers, and Cleaners, £P.54.

Item 6.—The appointment of a Senior Medical Officer, Railways, was approved by Colonial Office despatch No. 1055 of the 28th December, 1929.†

Item 14.—The appointment of an additional motor lorry driver is necessary to provide for the substitution of motor transport for horse or mule drawn disinfecting carts at Jaffa. The use of motor transport is more economical.

* C. 77089/30 [No. 2] : not printed. † C. 67360/29 [No. 5] : not printed.

Items 19, 42, 50, 65, *and* 73.—Provision was made in the 1930 Estimates for the promotion of eight Palestinian Medical Officers from Class 3 to Class 2. As the proposal was not approved by the Secretary of State these officers are now shown in Class 3.

Items 31 *and* 37.—Provision has been made for two additional probationer nurses and Hospital attendants required owing to the increased number of patients at the Bethlehem Mental Hospital.

Item 34.—An additional Assistant Dispenser has been employed in 1930 for the Railway Dispensary and Clinic and supplementary provision for the appointment was approved by Colonial Office despatch No. 880 of the 6th November, 1930.*

Item 38.—The increase is mainly to provide for necessary menial staff owing to increased pressure of work in the Hospitals at Haifa and Jerusalem and to supply one servant for the staff of the Senior Medical Officer (Railways).

Item 47.—The increase in provision under this item is required for four Sanitary Sub-Inspectors of the Malarial Research Unit to be employed by the Department of Health as reported in Officer Administering the Government's despatch No. 873 of the 24th September, 1930.†

Items 48 *and* 49.—Provision has been inserted for the increase of one Anti-malarial Sub-Inspector at Jericho; and an Overseer and four labourers at Beisan and Khallasah in the Huleh District as approved by Colonial Office despatch No. 288 of the 24th April, 1930.‡

Items 58 *to* 60.—Provision was made in the 1930 Estimates for the post of Assistant Director (Laboratory) in Class F (£P.850—50—1,050) As the proposal was not approved by the Secretary of State provision is now made in Class 1.

Item 61.—Provision is inserted for the regrading of the appointment of the Government Analyst from Class 2 to Class 1. This question is forming the subject of a separate despatch to the Secretary of State.

Items 63 *and* 64.—Provision is made under these items for the appointment of Dr. Shapiro, at present of the Malaria Research Unit, in accordance with the proposals made in the Officer Administering the Government's despatch No. 873 of the 24th September, 1930.

Item 70.—The additional appointment is required for the entomological section of the Central Laboratories.

Item 71.—An additional Attendant has been provided for Haifa Laboratory to cope with increased work mainly in connexion with analyses for Customs and Excise purposes.

Item 72.—The increase is to provide for an additional Cleaner of the technical apparatus of the Central Laboratories.

It has been found necessary to increase the provision under Other Charges as follows :—

	£P.
Item 75.—Transport and Travelling	835
Item 81.—Disinfectants and Maintenance of Disinfecting Machines ...	300
Item 82.—Hospital Diets	146
Item 83.—Clothing	24
Item 85.—Anti-malarial Measures	500
Item 86.—Medical Attendance in Private Hospitals	250
Item 97.—Honorarium to Medical Officer of the Sinai (Kantara-Rafa) Railway	50

On the other hand it has been found possible to reduce the following items by the amounts shown below :—

	£P.
Item 79.—Vaccines and Sera	150
Item 84.—Epidemic Outbreaks	200
Item 89.—Relief	18
Item 99.—Steam Disinfecting Machines	400
Item 100.—Typewriters	120
Item 101.—Electrical Laboratory Equipment	650
Item 103 —Clothing	520
	£P.2,058

* C. 77103/30 [No. 8] : not printed. † C. 77222/30 [No. 3] : not printed
‡ C. 77206/30 [No. 1] : not printed.

With regard to the increases, the following explanations are given :—

Item 75.—Apart from an increase of £P.385, necessary to meet the higher scale of approved allowances introduced last year, an additional amount is required in 1931 for transport and subsistence allowances for the Senior Medical Officer (Railways), Tuberculosis Medical Officer, and Medical Entomologist, and donkey allowance and subsistence allowances for four Sanitary Sub-Inspectors. These officers are all required to maintain transport for the performance of their duties.

Item 81.—The increase of £P.300 is required to meet the rise in price (10 mils a gallon) of solar oil and the increased use of this oil for anti-malarial purposes.

Item 82.—The increase is based on present contract prices.

Item 83.—The increase is due to the increase in Staff.

Item 85.—This increase for anti-malarial control was approved by Colonial Office despatch No. 288 of the 24th April, 1930.*

Item 86.—The increase is required to meet the cost of medical and dental treatment of British Police in stations where there is no Government Medical Officer or Government Hospital.

Item 97.—This honorarium was approved by Colonial Office despatch No. 506 of the 2nd July, 1930.†

Item 102.—The amount of £P.321 is required for the purchase of a disinfecting lorry for Jaffa to replace animal-drawn transport which is no longer suitable having regard to suburban expansion at that station.

Head XII.—Department of Education.

	£P.
Estimate	153,639
Increase	3,583

The junior education establishment has been regraded according to the proposals made in December, 1929, into Secondary and Elementary teachers' grades, as follows :—

	£P.
Grade S.1, Secondary	300—12—480
Grade S.2, Secondary	288—12—360
Grade E.1, Elementary	288—12—360
Grade S.3, Secondary	180—12—276
Grade E.2, Elementary	180—8—276
Grade E.3, Elementary	60—6—168

A comparison between the provision in 1930 in the old grade, and the provision in 1931 in the new grades, is as under :—

	1930. *Old Grades.*	1931. *New Grades.*
Item 17	1, Grade I	1, Grade S.2
Item 19	1, Grade I 1, Grade II	2, Grade S.2
Item 33	6, Grade I	6, Grade S.2
	8, Grade I 1, Grade II	9, Grade S.2
	9	
Item 20	3, Grade III 1, Grade III	4, Grade S.3
Item 21	1, Grade III	1, Grade S.3
Item 35	8, Grade II 28, Grade III 2, Grade IV	38, Grade S.3
Item 37	38, Grade IV	38, Grade E.2
	81	81

* C. 77206/30 [No. 1] : not printed.

† C. 77286/30 [No. 2] : not printed.

	1930 *Old Grades.*	1931 *New Grades.*
Item 38	30, Grade IV 450, Grade V 161, Grade VI	651, Grade E.3
	641	

There is an increase under Item 38 of ten teachers, Grade E.3, the necessity for which is explained by the Director, Department of Education, as follows :—

" The posts referred to are designed—

(1) to meet the imperative demand for an increase in the number of lower elementary classes in town schools;
(2) to provide additional teachers in understaffed schools both in towns and villages;
(3) to admit the opening of new schools in large villages which provide the necessary building and equipment.

" In this connexion I would refer once more to the large number of pupils, especially Moslems, who are annually rejected by the Government schools for lack of staff and accommodation. Public feeling on this question is becoming somewhat embittered and with more justice than in other matters wherein Government is submitted to criticism.

" The additional posts will be filled in September, 1931, by students now under training in the Government Arab College and the Women's Training College."

The other variations in Personal Emoluments are explained as under :—

Items 1 *to* 5.—The regrading of the appointment of the Director and the new appointment of Deputy Director were approved by the Secretary of State in October, 1929.

Items 10 *and* 11.—This appointment has been abolished.

Item 12.—Provision was made in the 1930 Estimates (Items 10, 11, and 13) for the promotion of two Headquarters Inspectors from Class 3 to Class 2. As this proposal has not been approved by the Secretary of State, provision in 1931 has been made for these officers in Class 3.

Item 13.—The excess of the increase over normal increments is due to the adjustment of these (Class 3) officers' salaries, as approved by the Secretary of State.

Item 19.—One officer, formerly shown under the item Clerical Officers, is now shown as an Assistant Inspector in view of the nature of his duties.

Item 22.—The decrease in provision is due to the replacement of the officer mentioned in the remark under Item 19 by a clerical officer in Grade III.

Item 39.—This item has been inserted for the provision of charge allowances to head teachers in order to improve their position which is, at present, unsatisfactory in many cases. The question of this allowance was dealt with in the proposals regarding the new teachers' cadre.

Item 40.—This item provides for an allowance of 500 mils *per mensem* payable to certain teachers of general subjects who, by attendance at voluntary courses, and partly at their own expense, have qualified for the Department's Senior Physical Training Certificate.

Item 41.—The increase of £P.214 is to provide for the appointment of instructors in weaving, carpentry, and other trades and for Moslem or Christian religious teachers in schools where no suitable full-time teacher can be made available.

Item 42.—The increase of £P.310 is necessitated by the proposed opening of boarding sections at Beersheba and Jenin Boys' Schools for Bedouin and Fellahin respectively.

Item 44.—This officer has reverted to his substantive appointment on termination of his secondment to Trans-Jordan.

Additional provision has been made under the following items of Other Charges :—

	£P.
Item 53.—Grant to Sports, Boy Scouts and Girl Guides ...	200
Item 57.—Rations for Boarders	100
Item 58.—Technical Instruction	200
Item 59.—Scholarships Abroad	230
Item 66.—New Equipment for Boarding Schools	500

Item 53.—This item has been inserted to provide for the encouragement of games and physical exercises mainly among Boy Scouts and Girl Guides.

Item 57.—The increase is to provide for proposed boarding sections at Beersheba and Jenin.

Item 58.—This item is to provide for the development of technical instruction in schools.

Item 59.—The increase is to provide for an increase of £P.150 in the emoluments of the scholars already in the United Kingdom, concerning which the Secretary of State is being addressed separately, and for a scholarship at the American University of Beirut for a woman medical student at £P.80 per annum, at the request of the Health Department.

Item 66.—This item is required for the proposed boarding sections at the Boys' Schools at Jenin and Beersheba and also for equipment for the new Government Arab College.

Head XIII.—Department of Agriculture and Forests

	£P.
Estimate	86,484
Decrease	17,270

The decrease under this Head is due mainly to the provision made in 1930 Estimates under Item 155, Anti-Locust Measures, £P.28,000, which is not required in 1931.

Increases occur under Personal Emoluments as under:—

	£P.
Administration.	
Item 9.—5 Clerical Officers	744
Item 12.—Messengers and Cleaners	36
Item 13.—1 Stores Packer	60
Forestry Service.	
Item 30.—2 Forest Guards	144
Veterinary Service.	
Item 41.—Quarantine Headmen, Guards and Inoculators ...	756
Veterinary Laboratory.	
Item 48.—1 Laboratory Assistant	180
Item 50.—1 Laboratory Assistant	60
Item 52.—1 Laboratory Attendant	60
Item 54.—1 Cleaner and Packer	60
Horticultural Service.	
Item 58.—2 Horticultural Assistants	360
Item 59.—2 Station Superintendents	288
Fruit Inspection Service.	
Item 62.—4 Assistant Fruit Inspectors	360
Item 63.—Packing Inspectors	60
Fisheries Service.	
Item 81.—Seamen	60
Stockbreeding Service.	
Item 91.—1 Poultry and Bee Attendant...	101
Item 92.—Poultry and Bee Men	144
Item 93.—Ghaffirs	60
Analytical Service.	
Item 98.—Laboratory Attendant	60

Item 9.—Provision has been inserted for the appointment of one clerk to the Chief Veterinary Officer, Grade II, and 4 Clerks for District Veterinary Officers, Grade III, for combating epizootic diseases. See Secretary of State's despatch No. 846 of the 16th October, 1929,* and High Commissioner's despatch No. 1032 of the 22nd November, 1930.†

Item 12.—Provision has been inserted for the appointment of a telephone operator for the Exchange in the office of the Chief Horticultural Officer.

Item 13.—Provision has been inserted for the appointment of a packer to release the store-keeper at Headquarters for his proper duties, which include dispensing, the preparation of Issue and Receipt Vouchers and the keeping of Stores ledgers.

* C. 67392/29 [No. 4]: not printed. † 77440/30 [No. 1]: not printed.

Item 30.—Provision has been inserted for two additional Forest Guards for the Beisan and Safad Areas.

Item 41.—The present personnel of Quarantine Headmen, Guards, and Inoculators is inadequate, and it is necessary to employ three additional headmen and six guards to deal with increased slaughtering of stock imported by sea and for new stations.

Items 48, 50 *and* 54.—The appointment of one Chief Laboratory Assistant, one Junior Laboratory Assistant, and one Cleaner and Packer is necessary for the control of bovine contagious abortion and dourine. See High Commissioner's despatch No. 1032 of the 22nd November, 1930.

Item 52.—Provision has been inserted for the appointment of one Laboratory Attendant at the Veterinary Laboratory, Jaffa, for cleaning glassware, packing of material for despatch to field officers, setting up racks and test tubes, sterilization, assisting with inoculations, and taking care of small animals under observation.

Item 58.—The appointment of two Horticultural Assistants for horticultural demonstrations in villages is provided for under this item.

Item 59.—The additional two Station Superintendents are required for the Horticultural Sections of the Experimental Stations at Acre and Beisan.

Items 61 *to* 63.—All appointments in the Fruit Inspection Service are now shown separately from those under the Horticultural Service as the two organizations are quite distinct.

Item 62.—Provision has been inserted for the appointment of four Assistant Fruit Inspectors for six months only for inspection at railway stations in view of increased exports of citrus fruits.

Item 63.—Provision has been made for four Packing Instructors at £P.25 *per mensem* in lieu of six Packing Instructors at £P.15 *per mensem*.

Item 81.—This item includes provision for the substitution of one mechanic at £P.10 *per mensem* for one seaman at £P.5 *per mensem*, and for one additional seaman at £P.5 *per mensem* required to complete the establishment of the crew for the launch at Haifa, so that extended operations can be carried out particularly those involving night work.

Item 91.—This item provides for the appointment of one Poultry and Bee Attendant. It is intended that this officer be made available to tour the country as the assistant of the Poultry and Bee-keeping Instructor. Such was the position in 1927 and 1928, but upon the resignation of one officer the vacancy was not filled for reasons of economy. The subsequent expansion and importance of the poultry industry now render this appointment most desirable.

Item 92.—Increased provision has been inserted for wages to additional labourers to cope with the growing work involved and the considerable increase in the number of poultry raised and distributed throughout the country.

Item 93.—Additional provision has been inserted under this item for Ghaffirs at Acre Station.

Item 98.—Provision has been inserted for the appointment of one Laboratory Attendant whose duties will include cleaning of laboratory apparatus and fittings and the performance of laboratory duties of unskilled nature.

Items 6, 14, 21, 22, 27, 28, 29, 34, 39, 40, 43, 49, 67, 68, 69, 79, 80, 87, 95, 96, *and* 97.—As the revision of the grading of these appointments provided in the Estimates for 1930 were not approved, the provision in present grades has been inserted in the Estimates for 1931.

Increases also occur under Other Charges as follows:—

	£P.
Item 101.—Railway Fares and Freight	500
Item 102.—Lighting and Heating	50
Item 106.—Contribution to Imperial Bureau of Mycology	50
Item 112.—Contribution to Imperial Committee on Locust Control ...	200
Item 113.—Contribution to Imperial Forestry Institute	43
Item 114.—Contribution to the Organization of a Unified Colonial Agricultural Service	140
Item 115.—Contribution to the International Commission for the Scientific Exploration of the Mediterranean Sea	42
Item 116.—Forage	120
Item 121.—Sylvicultural Research	100
Item 125.—Draught Animals, Carts, Harness, &c.	50
Item 127.—Agricultural Demonstrations and Experiments	140
Item 128.—Horticultural Demonstrations and Experiments	160
Item 130.—Upkeep of Horticultural Stations	450

	£P.
Item 133.—Grant-in-Aid for Sericultural Experimental Work ...	200
Item 134.—Veterinary Drugs, Dressings, Instruments, and Equipment	100
Item 135.—Upkeep of Veterinary Laboratory	200
Item 136.—Maintenance of Dipping Stations	1,600
Item 137.—Upkeep of Quarantine Stations	150
Item 140.—Stock Breeding Service	450
Item 144.—Telegrams, Telephones, and Postage	600
Item 147.—Fruit Inspection Service	350
Item 148.—Grant-in-Aid to Kadoorie Agricultural School, Tulkarem	2,993
Item 156.—Extension of Demonstration Plots in Villages	300

Item 101.—The provision made for railway fares and freight in 1930 was insufficient.

Item 102.—The increased provision under this item is necessitated by the organization of new services and the larger number of offices for which heating and lighting arrangements are essential.

Items 106, 112, 113, 114, *and* 115.—Provision has been inserted for an increased contribution of £P.50 under Item 106 to the Imperial Bureau of Mycology, as reported in High Commissioner's telegram No. 171 of the 11th June, 1930,* and for contributions of £P.200 under Item 112 to Imperial Committee on Locust Control, approved in Secretary of State's despatch Miscellaneous of the 27th August, 1930†; £P.43 under Item 113 to Imperial Forestry Institute, approved in Secretary of State's despatch Miscellaneous of the 8th September, 1930‡; £P.140 under Item 114 to the Organization of a Unified Colonial Agricultural Service as proposed in Secretary of State's Circular despatch of 10th September, 1930,§ and agreed to in High Commissioner's telegram No. 290 of the 22nd October, 1930‖; and £P.42 under Item 115 to the International Commission for the Scientific Exploration of the Mediterranean Sea, approved in Secretary of State's despatch Miscellaneous of the 9th May, 1930.¶

Item 116.—This item includes additional provision for forage for the increased number of animals.

Item 121.—Provision has been inserted under this item for the employment of a Sylvicultural Research Assistant and for labour and materials for sylvicultural experiments.

Item 125.—The increased provision under this item is for the purchase of additional animals for Horticultural Stations.

Item 127 *and* 128.—Provision for agricultural and horticultural demonstrations and experiments was formerly included under Item 126, "Demonstrations and Experiments." In view, however, of the additional and expanded services, it has been found necessary to provide for an increased provision of £P.140 under Item 127, "Agricultural Demonstrations and Experiments," and £P.160 under Item 128, "Horticultural Demonstrations and Experiments."

Item 130.—Formerly provision for the upkeep of Horticultural Stations was included under Item 129—"Upkeep of Agricultural Stations." It has been considered preferable to show separately under Item 130 the cost of upkeep of Horticultural Stations with an increase of £P.450 necessary to meet expenditure at the Jericho and Jerusalem Horticultural Stations and the Horticultural Sections of the Beisan and Acre Experiment Stations.

Item 133.—This item includes increased provision for grant-in-aid for Sericultural Experimental Work necessary to meet additional and expanded services.

Item 134.—The increase under this item is to meet the additional cost of Veterinary drugs, dressings, instruments and equipment for the treatment of additional Police animals.

Item 135.—This item includes increased provision to meet the cost of additional equipment for combating epizootic diseases. See Colonial Office despatch No. 846 of the 16th October, 1929,** and High Commissioner's despatch No. 1032 of the 22nd November, 1930.††

Item 136.—Provision has been included under this item for the cost of cattle and sheep-dip powder and fluid for the dipping of cattle, sheep, and goats with the

* C. 71366/2/31 [No. 2]: not printed.
† C.70511/3/30 [No. 15]: not printed.
‡ C. 71435/30 [No. 26]: not printed.
§ Not reprinted.
‖ C. 70518/(C. 2)1/30 [No. 8]: not printed.
¶ C. 70046/30 [No. 15]: not printed.
** C. 67392/29 [No. 4]: not printed.
†† C. 77440/30 [No. 1]: not printed.

object of destroying tick life throughout the country, suppressing diseases transmitted by such parasites and developing the livestock industry.

Item 137.—It has been found necessary to insert provision under this item for the urgent need of shovels, brushes, wheelbarrows, disinfectants, and other items of equipment, without which it is not possible to maintain the Quarantine Stations in a proper sanitary condition.

Item 140.—The increased provision under this item is necessary to cover the cost of food for all stock on the establishment, including labour charges, and as feeding rations are fixed and irreducible, expenditure cannot be curtailed without reduction of the establishment of livestock.

Item 144.—The expansion of the existing services involves a heavier use of the telegraph and telephone and necessitates an increased provision under this item.

Item 147.—Increased provision has been inserted under this item owing to the necessity for more stringent inspection of citrus fruits exported to foreign markets and to the fact that a larger crop will have to be handled in the coming year. The increase in the exports will result in the collection of a larger sum as fruit inspection fees.

Item 148 —In consequence of the opening of the Kadoorie Agricultural School, Tulkarem. at the end of the current year, provision has been inserted under this item to meet the difference between the estimated annual expenditure and revenue.

Item 156.—Provision of £P.300 has been inserted under this item for the extension of demonstration plots by organizing plots at twenty different villages.

Other variations are explained in the Remarks column of the Estimates.

Head XIV.—Antiquities Department.

	£P.
Estimate	8,358
Decrease	127

The decrease under this Head is due mainly to a decrease in the establishment of clerical officers by one clerk (Item 10), and to the reduction in the provision for clothing by £P.50 (Item 15).

Head XV.—Land Settlement.

	£P.
Estimate	24,893
Increase	1,604

Item 6.—Provision was inserted in the 1930 Estimates for the payment of duty allowances to Settlement Officers at the rate of £P.300 per annum, but the allowances were subsequently reduced by the Secretary of State to the rate of £P.200 per annum.

Items 12 *to* 16.—The changes are due to the proposals regarding the appointment of Mr. Pusey, Settlement Officer, in charge of the Beisan Party upon which the Secretary of State has been addressed separately.

Item 21.—Owing to an error, the establishment of Grade III clerks was shown in the draft 1930 Estimates at 21 instead of 22. The monetary provision was, however, correct. In order to accelerate settlement in the Gaza, Jaffa, and Ramleh settlement areas the following increases of staff are required:—

Commissioner of Lands' Office ...	1 Clerk, Grade III.
Gaza Settlement Area	2 Clerks, Grade III.
Jaffa Settlement Area	3 Clerks, Grade III.
Ramleh Settlement Area	5 Clerks, Grade III.
Total	11

Item 26.—The increase is due to under-estimation in 1930 as reported in High Commissioner's despatch No. 1043 of 20th [? 22nd] November, 1930.*

Item 35.—The provision is required to replace damaged tentage.

Head XVI.—Lands Department.

	£P.
Estimate	19,297
Net Increase	80

The variations in the provision under this Head are explained in the Remarks column of the Estimates.

* C. 77103/30 [No. 9]: not printed.

Head XVII.—Survey Department.

	£P.
Estimate	49,410
Increase	2,283

Item 21.—The Director reports that it is necessary to provide for the appointment of one additional Assistant Printer, Grade III, in order to relieve a Grade II Assistant Printer for the handling of a large flat-bed machine with a view to accelerating the output.

Item 25.—An increase of 10 draughtsmen is proposed in order to cope with the increased work in connexion with Urban Block plans and to comply with the requirements of land settlement.

Items 26 *and* 27.—Provision has been made for the increase of two Surveyors, Grade II, in order to provide for the promotion of two Surveyors, Grade III, in charge of field parties reducing the number of Surveyors in the latter grade to 56, but the Director intends appointing in this grade a probationer Surveyor who, after training, is fully qualified for this appointment.

Items 35 *and* 36.—The increases are required for increased output of plans.

Items 40 *and* 53.—The provision for purchase of technical equipment has now been divided between these two items, so as to differentiate between normal recurrent purchases and the purchase of technical equipment of a special nature such as compasses, plane-tables, and tripods for field work; a calculating machine for the Drawing Office and zinc plates, roller brackets, &c., for the Printing Office.

Items 38, 48, *and* 49.—The slight increase amounting in all to £P.55 is deemed necessary.

Item 52.—Office Equipment, £P.1,350. It is necessary to substitute steel map-presser for the present pinewood presses as a safeguard against fire. The Director reports: "The original field-sheets, maps, plans, field books, and trigonometrical records of this Department already represent the result of an expenditure of some £P 300,000 and form the physical basis of the new Land Register and the reform of the Land System, thus are irreplaceable and invaluable, and their volume is ever growing.

With every precaution that can be taken, the liability to fire and to the attacks of mice and insects remains very considerable, and constitutes a serious threat."

Head XVIII.—Police and Prisons.

	£P.
Estimate	515,745
Increase	90,666

The reorganization of this Department and, with the exception of certain increases to which reference is made later, the increases in establishment and other charges, are the result of giving effect to the proposals of Mr. Dowbiggin.

Provision has been inserted for Police Officers of and above the rank of Assistant Superintendent, exclusive of those seconded to Trans-Jordan under Items 53 and 55, as recommended by Mr. Dowbiggin in Part XXIII, paragraph 220* of his report, as follows:—

Commandant	Item 1.	
2 Deputy Commandants ...	Items 3 and 58	Increase of one Deputy Commandant for Criminal Investigation Branch approved by the Secretary of State.
5 District Superintendents...	Items 24 (3), 72 (1), and 88 (1).	Increase of two. High Commissioner's despatch No. 1011 of 14th November, 1930,† and telegram No. 97 of 17th April, 1930.‡
8 Deputy Superintendents...	Items 26 (6), 60 (1) ...	Increase of two.
36 Assistant Superintendents	Items 7 (1), 11 (1), 13 (1), 17 (1), 28 (22), 63 (3), 74 (1), and 92 (6).	Increase of three approved by Secretary of State.

* Middle East No. 36. † C. 77422/30 [No. 4]: not printed.
‡ C. 77044/30 [No. 33]: not printed.

The increase of British Inspectors, Police and Prisons, from 19 to 22 (Items 19 (1), 31 (10), 76 (2), 78 (1), 96 (1), 110 (1), 154 (2), 179 (4) was approved in Secretary of State's despatch No. 352 of the 19th May, 1930.*

The increase of 113 Mounted Police (Items 41 to 44) and 15 Foot Police (Item 49) were approved in Colonial Office telegram No. 50 of the 28th February, 1930,† On the other hand, there is a decrease of 2 Foot Police (Item 49) who have been replaced by 4 Ghaffirs (Item 52) as approved by the Secretary of State's despatch No. 973 of the 21st November, 1928.‡

The Secretary of State has approved the new establishment of the Criminal Investigation Branch (Items 21 and 58 to 68).

The increase of the British Section to 650 non-commissioned officers and other ranks (Items 98, 100, 101, 102, 111, 112 and 113) recommended by Mr. Dowbiggin was approved by the Secretary of State in his telegram No. 97 of the 17th April, 1930.§

The following supplementary explanations are submitted with reference to the changes referred to above and to certain other changes under personal emoluments:—

Police.

Items 1 *to* 4.—The regrading of Commandant and Deputy Commandant have been approved by the Secretary of State.

Items 11 *and* 13.—The excess over the normal incremental amount is due to the adjustment of these officers' salaries and was approved by the Secretary of State.

Item 22.—The increase of £P.100 for extra clerical assistance is necessitated by the reorganization of the force and its redistribution.

Item 72.—The regrading of the Officer Commanding the Police Training School from Class 2 to Class 1 was recommended in High Commissioner's despatch No. 1011 of the 14th November, 1930.‖

Item 95.—Provision has been made for the services of an Anglican Chaplain as approved in Secretary of State's despatch No. 162 of the 6th March, 1930.¶

Items 106 *to* 109.—These increases are necessary to provide for cooks, kitchen boys, and casual labour for the increased British Police establishment as distributed throughout the country.

The increases in the provision under Other Charges (Items 116 to 141) are mainly caused by the increase and reorganization of the Police establishment. The following comparative statement shows the increased provision in the Estimates as compared with the increases envisaged by Mr. Dowbiggin.

	Increase	*Increase recommended by Mr. Dowbiggin*	
	£P.	£P.	
Item 116.—Transport and travelling ...	4,100	1,400	Under-estimated.
Item 117.—Railway Fares and Freight ...	600	2,350	Under-estimated
Item 118.—Uniform Allowances	40	—	Increased establishment.
Item 119.—Uniforms and Clothing ...	9,600	5,853	For supplementary constables.
Item 120.—Arms, Equipment, and Ammunition.	700	1,020	
Item 123.—Miscellaneous Stores	200	763	
Item 124.—Criminal Investigation ...	1,000	—	See High Commissioner's despatch No. 1043 of the 22nd November, 1930.**
Item 125.—Medical Examination Fees, British Police Recruits.	450	—	Cost of recruitments in the United Kingdom.
Item 129.—Barrack furniture and stores...	650	1,273	
Item 130.—Rations	5,300	7,800	Based on contract prices.

* C. 77015/30 [No. 60]: not printed.
† C. 77015/30 [No. 41]: not printed.
‡ C. 57582/28 [No. 2]: not printed.
§ C. 77044/30 [No. 33]: not printed.
‖ C. 77422/30 [No. 4]: not printed.
¶ C. 77015/30 [No. 45]: not printed.
** C. 77103/30 [No. 9]: not printed.

	Increase	*Increase recommended by Mr. Dowbiggin.*	
	£P.	£P.	
Item 131.—Lighting, Heating and Power...	2,500	1,200	Increased accommodation and additional installations of electric light.
Item 135.—Upkeep of Mechanical Transport.	1,600	1,600	
Item 136.—Passages.	2,700	7,200	Based on estimated numbers of resignations, new recruits and leave passages.
Item 137.—Water and Conservancy ...	275	375	
Item 138.—Telegrams, Telephones, and Postage.	1,500	1,250	Under-estimated.
Item 139.—Maintenance of Wireless Apparatus.	100	—	For spare parts and replacements.
Item 140.—Police Courses of Instruction in the United Kingdom.	100	—	Based on actual expenditure in 1930.

Item 142.—£P.350 is required for replacements of riding horses of the British Police and Police Training School.

Item 146.—A large number of rifles are becoming unserviceable, and £P.1,500 has been provided for replacements.

Item 147.—Provision of £P.500 is required for furniture for new Police Posts and Stations

Prisons and Lock-Ups.

Items 166 *and* 170.—It is desired to replace the Prison Instructor-Weaver by an Instructor-Carpenter at the same rate of pay.

Items 191 *to* 194.—The establishment of a women's Prison with one Assistant Inspector and three Wardresses was approved by the Secretary of State's despatches No. 768 of the 26th September, 1930,* and No. 806 of the 7th October, 1930.†

Item 206.—The provision for lighting and heating has been increased from £P.2,000 to £P.3,000 owing to further installations of electric light in Prisons and Lock-Ups.

Item 209.—It has been found necessary to increase the provision for the upkeep of Mechanical Transport by £P.300 owing to the increased cost of tyres, tubes, and spare parts for cars purchased in 1929.

Item 214.—£P.600 is required for the replacement of two disinfectors which have become unserviceable.

Immigration and Travel.

Item 217.—The appointment of an Assistant Chief Immigration Officer, Class I, was approved by the Secretary of State, and one post of Inspector, Class II, has been abolished (Item 219).

Item 225.—Provision has been made for one additional Grade III clerk for the Passport Control Office, Samakh.

Item 232.—The increase of £P.50 for transport and travelling is based on necessary current expenditure.

Head XIX.—Trans-Jordan Frontier Force.

	£P.
Estimate	185,452
Increase	47,361

The full details of the Trans-Jordan Frontier Force Estimates for 1931 were transmitted under cover of the High Commissioner for Trans-Jordan's despatch No. 140 of the 15th November, 1930.‡ No further alterations have been made in the estimate now submitted, but the comparison now shown is between the printed Estimates for 1930 and the Estimates for 1931.

* C. 77373/30 [No. 2]: not printed. † C. 77373/30 [No. 4]: not printed.
‡ No 97 in Middle East No. 38.

Full explanations were given in the above-mentioned despatch regarding all variations in the provision in the Estimates for 1931 and the approved provision for 1930.

Head XX.—Defence.

	£P.
Estimate	38,000
Increase	7,500

Provision of £P.33,500 is inserted in the Estimates in accordance with Colonial Office despatch No. 285 of the 24th April, 1930,* in respect of the contribution to the Imperial Government towards the cost of the Royal Air Force and armoured cars employed in Palestine and Trans-Jordan.

A new item has been inserted in accordance with the approval of the Secretary of State in June, 1929, to provide for the difference between public and preferential rates on the Palestine Railways for Royal Air Force and Army units.

Head XXI.—Posts and Telegraphs

	£P.
Estimate	162,469
Increase	10,802

Provision is made for the following increases in establishment:—

	£P.
Administration.	
Item 24.—1 Assistant Postmaster, £E.192—6—240	221
Item 26.—5 Assistant Postmasters, £P.96—6—132	504
Item 31.—1 Postal Clerk, Telegraphist and Telephonist, £E.192—6—240	204
Item 33.—8 Postal Clerks, Telegraphists and Telephonists, £E.96—6—132	1,212
Item 36.—1 Telephone Superviser, £P.144—6—168	162
Item 37.—15 Telephonists, £E.50—6—96	745
Items 38 and 39.—4 Postmen and 5 Messengers...	550
Item 43.—2 Watchmen and Postmen	132
Item 44.—Cleaners	100
Item 45.—Postal Agents	80
Item 49.—6 Learners	236
Engineering	
Item 66.—1 Clerk, Grade V, £E.96—6—132	111
Item 68.—1 Test Clerk, Grade IV, £E.144—6—180	131
Item 72.—1 Telegraph Artisan, £E.144—6—180	174
Item 74.—6 Linemen	1,011
Item 78.—1 Motor Driver	100

Item 24.—Provision has been inserted for the appointment of one additional Assistant Postmaster, Grade III, to augment the controlling staff of Tel-Aviv Post Office where the work has considerably increased.

Item 26.—Provision has been made for the assimilation of the appointments under this item in one grade of pay, namely, £E.96—6—132, since there is no longer any distinction in the duties and responsibilities of these officers. The item further includes provision for the appointment of five additional Assistant Postmasters on the conversion of the five most remunerative Postal Agencies into Post Offices.

Item 31.—This item includes provision for the appointment of one additional Postal Clerk, Telegraphist, and Telephonist, Grade IV, necessary to cope with the increase of work in the Accounts Branch of the Department.

Item 33.—Provision has been inserted under this item for the appointment of eight additional Postal Clerks, Telegraphists, and Telephonists, Grade V, of whom one is necessary for the proposed new Branch Post Office in the Mahne Yehuda Quarter of Jerusalem and seven for the increase of postal and telegraph work at Tel-Aviv and the rest of the country.

Items 36 *and* 37.—It has been found necessary in order to accommodate the additional subscribers to increase within the next six months the capacity of the telephone exchanges at Haifa, Jaffa, and Jerusalem by one, two, and four operating positions, respectively; to extend the number of hours during which certain other exchanges are attended; to relieve the present pressure in the larger exchanges; and to afford improved facilities at Sub-Office exchanges. Provision has, therefore, been made under these items for the additional appointment of one Telephone Supervisor for Jerusalem (Item 36) and fifteen telephonists (Item 37).

* No. 51 in Middle East No. 33.

Items 38 *and* 39.—Provision has been inserted for an increase of four postmen and five messengers necessary to provide for extension of delivery areas due to the expansion of Jerusalem and Tel-Aviv and for new Post Offices. Provision for these items was formerly included under Item " Postmen and Messengers."

Item 43.—This item includes provision for an increase of one Watchman to bring to two the number of Watchmen at the Main Store, Bethlehem Road, having regard to the close proximity of the premises to two large petrol stores, and for one additional Porter required at Haifa where the quantity of mail dealt with terminally and in transit has considerably increased.

Item 44.—An increase of £P.100 has been inserted under this item to provide for additional cleaners necessary for the increased accommodation at Tel-Aviv, for new premises to be secured for the Accounts Branch of the Department and for new Post Offices.

Item 45.—This item includes provision for the remuneration of Postal Agents to be appointed at new Agencies which will be established in substitution of those to be converted into Post Offices (see Item 26) and for an increased provision of £P.80 for increasing the remuneration of Agents which in certain cases, particularly where telephone services are performed, is incommensurate with their duties and extended hours of work.

Item 49.—It has been found necessary to provide under this item for the appointment of six additional learners as the present establishment of eighteen learners is insufficient for filling the vacancies in classified grades as they arise, especially in the case of Telegraphists and Telephonists.

Item 66.—The additional appointment of one clerk, Grade V, under this item is necessitated by the increase in the work of the Chief Engineer consequent on the development of the Telegraph, Telephone, and Wireless services.

Item 68.—The additional Test Clerk, Grade IV, provided for under this item is necessary for the maintenance under the International Telegraph Convention of the international lines in efficient working order.

Item 72.—This item includes the appointment of one additional Telegraph Artisan, Grade IV, necessitated by the increased demand for repairs of telephone apparatus due to the increased number of telephone subscribers.

Item 74.—Provision has been inserted for the increase of six linemen necessary for additional subscribers' circuits and for the efficient maintenance of trunk lines.

Item 78.—This item includes provision for one additional motor driver owing to the increased use of transport necessitated by the growth of Postal, Telegraph and Telephone services.

Items 6 *and* 50.—As the revision of the grading of these appointments provided in the Estimates for 1930 was not approved, provision in the present grades has been inserted in the Estimates for 1931.

Items 21 *and* 28.—The three appointments transferred from Item 28 are in the nature of Assistants to the Postmasters of Haifa, Jaffa, and Jerusalem and have therefore been more appropriately shown under Item 21 of the Estimates.

Increases also occur under Other Charges as follows:—

	£P.
Item 81.—Cost of Living Allowances	100
Item 84.—Conveyance of Mails	4,500
Item 87.—Stationery and Printing	100
Item 88.—Printing and Postage Stamps and Postal Orders	100
Item 95.—Typewriters	65
Item 101.—Mechanical Transport	100
Item 102.—Furniture	50
Item 104.—Bicycles	170
Item 105.—Posting Boxes	100
Item 106.—Adding Machine	110
Item 107.—Addressing Machine	125
Item 110.—Stoving and Enamelling Machine	70
Item 111.—Telephone Coin Collecting Machines	100

Item 81.—The additional provision is necessary for the increased staff.

Item 84.—This item includes the cost of conveyance of mails by rail, road, and air in Palestine and the cost of transit of mails through the territory of other Postal Administrations based on triennial statistics which have been recently revised.

Item 87.—The increased provision under this item is necessary for new offices and new services.

Item 88.—The additional provision under this item is necessary in view of the increased sales of postage stamps and postal orders.

Item 95.—Provision under this item is necessary to meet the cost of one typewriter for new Offices and of two for replacement of unserviceable machines.

Item 101.—The provision inserted under this item is for the purchase of two Morris vehicles to replace unserviceable Ford vehicles.

Item 102.—The increased provision under this item is necessary to meet the cost of furniture for new Post Offices and Postal Agencies.

Item 104.—Provision has been made under this item for replacement of unserviceable bicycles.

Items 105 *to* 111.—The provision inserted under these items is necessary for the development and modernization of services to the public.

Other variations are explained in the Remarks column of the Estimates.

Head XXII.—Public Works Department.

	£P.
Estimate	56,262
Increase	3,358

Item 3.—A duty allowance for the Director of £P.100 per annum was approved by the Secretary of State and provision has accordingly been made under this item.

Items 22, 23 *and* 24.—The necessity for the appointment of two temporary Assistant Architects has been reported to the Secretary of State in High Commissioner's despatch No. 647 of the 12th July, 1930.*

Item 25.—The number of Quantity Surveyors has been increased by two against a reduction of two temporary Quantity Surveyors under Item 50; see High Commissioner's despatch No. 423 of the 10th May, 1930,† and Secretary of State's despatch No. 566 of the 17th July, 1930.‡

Items 52 *to* 56.—Temporary Staff for drainage and water schemes.

The necessity for this staff has formed the subject of separate despatches to the Secretary of State; see High Commissioner's despatches No. 627 of the 10th July, 1930,§ and No. 647 of the 12th July, 1930.‖ The provision has been inserted at the end of " Public Works " Personal Emoluments, in order to indicate the temporary nature of these appointments.

Head XXIII.—Public Works Recurrent.

	£P.
Estimate	170,600
Increase	12,390

Item 7.—*Water Supply and Conservancy.*—The increase of £P.950 is necessary for these services in connexion with the additional accommodation required for the Police.

Item 8.—*Rent of Offices and Quarters.*—The additional expenditure of £P.2,000 is required for additional quarters for the Police.

Item 10.—*Maintenance of Quays, Piers, and Harbours.* The increase of £P.1,000 is required for repairs to temporary sheet piling quay wall at Jaffa which are considered necessary.

Item 11 —*Maintenance of Roads and Bridges.* Owing to the increased mileage of roads and the considerable wear of road surface by a growing motor traffic, it is necessary to increase the provision under this item by £P.10,000.

Item 15.—A provision of £P.500 has been inserted for installation of electric light in Government offices, as the supply of electric current for lighting is now available.

Item 16.—*Railway Fares and Freight.* The provision in 1930 Estimate proved insufficient.

Head XXIV.—Miscellaneous.

	£P.
Estimate	120,178
Decrease	134,109

The decrease under this Head is due to the inclusion in the 1930 Estimates of the following provisions which are not required in 1931, viz.:—

	£P.
Item 29.—Compensation for damages, &c., during the riots ...	100,000
Item 30.—Grant to Jerusalem Municipality (write-off of advance to the water supply)	34,833

* C. 77326/30 [No. 1]: not printed.
† C. 77261/30 [No. 1]: not printed.
‡ P.F. 35563 M.E.: not printed.
§ C. 77046/30 [No. 4]: not printed.
‖ C. 77326/30 [No. 1]: not printed.

and to the transfer of the provision required in 1931 for the assessment of Urban Property Tax (Item 27) to Head V District Administration (Item 34).

The following increases occur:—

	£P.
Item 2.—Cost-of-Living Allowances	3,000
Item 15.—Crown Agents' Expenses	500
Item 23.—Grant for welfare work	150
Item 28.—Compensation under the Workmen's Compensation Ordinance	200
Item 32.—Contribution to Trans-Jordan of a share in the profits from currency	4,500

Item 2.—The increase is necessitated by increases in the staff and in order to make adequate provision for actual expenditure.

Item 15.—The increased provision is necessary having regard to increased dealings with the Crown Agents mainly in respect of Police and Works services.

Item 23.—The increase of £P.150 is due to an anticipated increase in the inmates of the Girls' Home.

Item 28.—It has been necessary annually to make supplementary provision for the payment of compensation under the Workmen's Compensation Ordinance, 1927, and the amount now inserted is deemed necessary having regard to payments made in past years and the present staff of Government employees falling within the provisions of the Ordinance.

Item 31.—Provision has been made under this item for the ex-gratia payment to Trans-Jordan on account of their use of the Palestine currency. This matter forms the subject of a separate despatch.

Other variations are explained in the Remarks column of the Estimates.

Head XXV.—Posts and Telegraphs Extraordinary.

	£P.
Estimate	21,020
Decrease	31,880

Item 2.—The provision for additional trunk lines is necessary to cope with additional trunk traffic and is for the following routes:—

	£P.
1. Nahalal-Nazareth	170
2. Tiberias-Safad	650
3. Benyamina-Zikhron Ya'aqov	300
4. Ras-el-Ain-Lydda	400
	£P.1,520

Item 3.—The provision under this item is required to reconstruct the weakest sections of the old Turkish route between Tulkarem and Masudiye. The reconstruction of the remaining sections of the route, estimated to cost £P.600, can be postponed until the year 1932.

Items 4 *and* 7.—The provision under these items is required to meet the normal rate of increase in new subscribers, and the expenditure is revenue-producing.

Items 6 *and* 9.—The expenditure on the new Telephone Exchange and Wireless Telegraph Station in Jerusalem has been postponed owing to the delay in the construction of the new General Post Office, Jerusalem.

Provision has, however, been made to meet the preliminary expenses on placing contracts by the Crown Agents for the purchase of material.

Item 10.—The provision under this item is necessary for the continuation of work in connexion with the deviation of telegraph circuits to the site of the new General Post Office.

Item 12.—The provision inserted under this item is necessary for the replacement of the present unsatisfactory method of working the telegraph from primary cells, especially during damp or wet weather, by a system of secondary cells. It is expected that the installation of the new system will reduce the cost of maintenance by £P.150 to £P.200 per annum, and the equipment would be suitable for transfer to the proposed new Jerusalem Post Office.

Head XXVI.—Public Works Extraordinary.

	£P.
Estimate	261,840
Increase	103,057

Items 15, 20, 24, 25, 28, 31 *to* 34, 37 *to* 40, 44, 45, 47 *to* 49, 56, 58, 61 *to* 64, 74, 79, 82, 83, 86 *to* 88, 100 *to* 103, *and* 105.—The provision under these items totals £P.111,327 and is in respect of the approved works now in progress. They include the undermentioned works:—

	£P.
Item 15.—Mental Hospital, Bethlehem	6,880
Item 24.—Quarantine Station, Haifa	6,050
Item 28.—Temporary Drainage, Haifa	4,700
Item 33.—Construction of Post Office, Jaffa	3,500
Item 44.—Government House	15,000
Item 45.—Construction of Arab Training College, Jerusalem ...	12,000
Item 62.—District Court and Magistrates' Courts, Nablus ...	10,000
Item 82.—Construction of Afuleh-Mesha-Yemma-Beth-Gan-Kinnereth Road	13,560
Item 83.—Construction of Petach Tikvah-Kfar Saba Road ...	13,000
Item 88.—Construction of Acre-Safad Road	5,000
Item 103.—Boring for Water Supplies	3,700
Other Items	17,937
	£P.111,327

Item 15.—The provision for the construction of the Mental Hospital at Bethlehem is for the balance of the payment for land and for fencing. The fencing is required to enclose the site and protect existing cultivation and trees which will be planted as soon as the site has been acquired.

Item 24.—The sum of £P.6,050 includes a revote of £P.1,050 and an additional £P.5,000 to provide for the continuation of the approved scheme for the construction of the Animal Quarantine Station at Haifa. The accommodation for imported cattle in the Quarantine Station at Haifa is inadequate and the additional work is essential. £P.500 for completion of the scheme will be required in 1932.

Item 28.—The provision of £P.4,700 for the temporary drainage scheme at Haifa is for the completion of the work approved in Colonial Office despatch No. 612 [? 619] dated the 2nd August, 1930.*

Item 33.—The provision of £P.3,500 is required for the completion of the construction of Jaffa Post Office.

Item 44.—The provision of £P.15,000 is required for the completion of the construction of the Government House.

Item 45.—The original estimate of £P.20,000 for the construction of the Arab Training College will be exceeded by £P.4,000. It is estimated that only £P.12,000 will be spent on construction in 1931.

Item 62.—The original scheme for the construction of a District Court and offices at Nablus on the site of the old Turkish Government Offices has now been revised to provide accommodation for Magistrates' Courts as well as a District Court on a new site. The present buildings were badly damaged in the earthquake of 1927 and are inadequate. The old site is also unsuitable as a site for the new building, and the new site has been purchased in 1930. The provision of new court buildings is a matter of immediate necessity.

Item 82.—The provision of £P.13,560 includes a revote of £P.5,500 from 1930 and the further sum of £P.8,060 will enable the continuation of the Afuleh-Mesha-Beth-Gan-Yemma-Kinnereth Road towards Kinnereth which, with a further sum of £P.2,300 to be provided in 1932, will enable the completion of a first-class road to Kinnereth. This road is a necessary link between the Jewish Colonies of Kinnereth, Yemma, Beth-Gan, and Mesha with the main road from Afuleh to Nazareth.

Item 83.—The provision of £P.13,000 includes a revote of £P.3,000 and provides for the continuation of the Petach-Tikva-Kfar Saba Road which will take the road across the River Auja to a ridge running northwards along which access to Jewish Colonies can be obtained except for a few days in a year. The road is along

* C. 77046/30 [No. 5]: not printed.

the route recommended by the Road Board for the future Jaffa-Haifa Main Road. It is a necessary communication between the Jewish Colonies in the Auja Basin where operations under the Auja concession have been commenced and is a feeder road to the railways.

Item 88.—The provision of £P.5,000 will enable the complete soling of the road and the completion of a large section of the surfacing. The work has been approved by the Secretary of State. A further £P.1,000 will be required in 1932 to complete the work.

Item 103.—The provision of £P.3,700 is required for necessary boring operations for the discovery of water in localities where there is an inadequate water supply. The undertaking of experimental work as a preliminary to the provision of adequate water supplies in the larger villages is very necessary.

Items 1 *to* 3, 7, 9, 13, 14, 17, 21 *to* 23, 26, 27, 35, 36, 43, 46, 50, 51, 53, 56, 57, 60, 65, 66, 70, 75, 78, 80, 81, 84, 85, 104, 106, 110 *to* 112.—The provision under these items totals £P.64,589 and is in respect of works for which provision was made in the printed draft Estimates for 1930 but which were deleted from the Estimates as the works were not commenced in 1930; and of works subsequently approved but which were also not commenced in 1930. They include the undermentioned works:—

	£P.
Item 9.—Extension of Land Settlement Camp, Beisan	1,150
Item 23.—Construction of District and Magistrates' Courts, Haifa	11,499
Item 43.—Construction of Post Office Jerusalem	20,000
Item 46.—Additions and Improvements to Prison, Jerusalem ...	1,275
Item 50.—Alterations and special repairs to Ezrath Nashim Asylum, Jerusalem	2,507
Item 51.—Purchase of Land for new Police Training School, Jerusalem	4,200
Item 53.—Furniture for new Government House	3,195
Item 81.—Accommodation for Police—Tala'at Dum	1,900
Item 84.—Rosh Pinah—Jisr Banat Yacoub Road	2,500
Item 104.—Boring and Well Sinking Plant	3,500
Other Items	12,863
	£P.64,589

Items 9, 50, 51, *and* 53.—The works under these items are dealt with in the despatches to which reference is made in the Remarks column of the Estimates.

Item 23.—The two projects for the construction of a District Court (£P.4,200) and Magistrates' Courts (£P.5,300) at Haifa have been amalgamated in a revised scheme and the provision in 1930 was supplemented by an amount of £P.499. The estimate of £P 10,000 was approved by Colonial Office despatch No. 496 of the 26th June, 1930.* A subsequent revision of the estimate involves an increase of £P.1,500 above the approved amount. The sum of £P.9,999 has been revoted from 1930 as shown above.

Item 46.—The provision for this work was included in the printed draft Estimates for 1930, but was subsequently deleted. It is required for the construction of new offices and for the concreting of cells, yards, workshop floor, and cookhouse yard, at the Central Prison, Jerusalem.

Item 81.—Provision of £P.1,335 for the construction of a Police Post at Tala'at Dum was made in the Estimates for 1930 and is revoted in 1931. A recent revision of the estimate, however, necessitated an increase of £P.665. The present accommodation consists of old Nissen Huts which require immediate replacement.

Item 84.—Provision for this road was included in the draft printed Estimates for 1930 but was subsequently deleted. The provision of £P.2,500 is required for the continuation of the road to Jisr Banat Yacoub and the improvement in the communication between this frontier station and the main trunk road is necessary.

Item 104.—The provision for Boring and Well Sinking Plant was included in the draft printed Estimates for 1930 but was subsequently deleted. The provision of £P.3,500 is required in connexion with the work for which provision is made under Item 103. The work has hitherto been carried out by contractors with unsuitable plant at a very high cost. The previous figure of £P.2,500 has been increased by £P 1,000 and Item 103 reduced by a similar amount The Director of Public Works

* C. 77068/30 [No. 9]: not printed.

considers that not more than £P.3,700 can be spent on actual drilling in 1931, and an addition of £P.1,000 is required for the plant.

Items 4 *to* 6, 8, 10 *to* 12, 16, 18, 19, 29, 30, 41, 42, 52, 54, 59, 67 *to* 69, 71 *to* 73, 76, 77, 89 *to* 97, 100, 101, 108, *and* 109.—The provision under these items totals £P.75,924 and is required for new works as under:—

Items 4, 8, *and* 16.—Items 4 and 16 provide for the construction of shelters at Acre and Bethlehem for litigants who have frequently to wait for a considerable number of hours near the Courts, and Item 8 provides for an additional room at Beisan Magistrates' Court, urgently needed.

Items 5, 11, 29, 30, *and* 68.—The roof of the Hospital at Acre (Item 5) is in a state of dilapidation and requires radical repair. The construction of latrines for patients and staff at the Beisan Health Office (Item 11), where there are no sanitary arrangements, is essential; and further sanitation work at the Quarantine Lazarette at Haifa (Item 29) is necessary. A covered shelter at Haifa (Item 30) for ambulances, motor disinfecting lorry, and disinfecting machines is also required. The construction of a bathroom, latrines, pantries, and storerooms at the Nablus Hospital (Item 68) is a work of immediate necessity.

Items 12, 41 *and* 42.—These works represent the requirements of the Department of Agriculture and Forests. £P.375 is required to construct graduated concrete canals at Beisan for irrigation and drainage to prevent waste of water and also as a sanitary measure (Item 12). £P.3,004 is for increased accommodation at the Animal Quarantine Station, Allenby Bridge, to deal with stock imported from Trans-Jordan (Item 41). £P.1,000 is provided for the construction of an impermeable irrigation channel for the more profitable and economical distribution of water among orchards at Jericho (Item 42).

Items 18, 59, 71, *and* 109.—These works represent requirements of the Department of Education. The provision under Items 18 and 59 is for the construction of two additional rooms for the Boys' School at Bireh at a cost of £P.750 and two additional rooms for the Boys' School at Kalkillieh at a cost of £P.300 where the present accommodation is inadequate. The provision under Item 71 is for the acquisition of land and huts at Ramleh at a cost of £P.260 for the extension of School grounds upon the recommendation of the Health Department for hygienic reasons. Provision for furniture for new schools and additional accommodation has been made under Item 109.

Items 6, 19, 67, 72, 73, 76, 77, *and* 107.—These works represent the requirements of the Department of Police and Prisons. The provision of £P.5,470 under Items 6, 19, 67, 73, and 77 are for additional accommodation for British Police at Artuf, Enab, Nablus, Ramleh, and Safad, as recommended by Mr. Dowbiggin, and the High Commissioner is reporting the expenditure to the Secretary of State separately. The provision of £P.105 under Item 72 is for urgent drainage installation at the Police Station and Prison at Ramleh. The provision of £P.450 under Item 76 is for additional accommodation for Police and Customs at Rosh Pinah, where the present accommodation is inadequate. Provision is also being made under Item 107 for the construction of six new Police Stations as single quarters in the Jaffa (2), Haifa (2), and Nazareth (2) Districts and is a part of the programme recommended by Mr. Dowbiggin.

Item 52.—It has become necessary to provide a carpenter's shop for the Department of Posts and Telegraphs and to replace the existing outer fence which owing to its dilapidated condition does not afford suitable protection to the stores accommodated in the stores yards. The estimated cost of these works is £P.530.

Item 54.—It has been necessary to acquire additional land for Government House in order to secure an adjacent piece of land which, if built upon by private enterprise, would interfere with the privacy of Government House.

Items 69, 89, *and* 91.—The High Commissioner has addressed the Secretary of State separately on these projects as shown in the Remarks column of the Estimates.

Items 93 *to* 97.—The provision of £P.14,400 for the reconstruction, realignment, and widening of main roads, the rebuilding of bridges, and the elimination of dangerous corners is to enable the continuation of a programme for which it is desirable to make annual provision.

Items 10, 98, 99, 100, 101, *and* 108.—The necessity for the provision under these items is explained in the Remarks column of the Estimates.

Head XXVII.—Trans-Jordan Frontier Force Extraordinary.

	£P.
Estimate	21,245
Increase	16,305

Full details of the Trans-Jordan Frontier Force Estimates for 1931 were submitted under cover of the High Commissioner for Trans-Jordan despatch No. 140 of the 15th November, 1930.* No further alterations have been made in the Estimates now submitted; and full explanations were given in the above-mentioned despatch regarding new works.

Head XXVIII.—Palestine Railways and Operated Lines.

Estimated deficit on Palestine Railways in 1931, £P.49,861.

The estimated results of the working of the Railways in 1930 and 1931 are as under:—

	Palestine Railway. £P.	*Kantara-Rafa. Railway* £P.	*Hejaz Railway.* £P.
Ordinary Expenditure, 1930	385,595	121,000	94,000
1931	427,511	118,489	100,112
Extraordinary Expenditure, 1930 ...	15,000	—	4,000
1931 ...	19,350	—	3,031
Total Expenditure, 1930	400,595	121,000	98,000
1931	446,861	118,489	103,143
Revenue, 1930	401,000	137,000	113,000
1931	397,000	125,000	107,000
Deficit, 1930	—	—	—
1931	49,861	—	—
Surplus, 1930	405	16,000	15,000
1931	—	6,511	3,857

Extraordinary maintenance and renewals on the Kantara-Rafa Railway are charged to the Special Fund for renewals appropriated from net profits.

Revenue.

The estimated revenue of the Railways in 1931 shows a decrease of £P.22,000, including a decrease of £P.4,000 on the Palestine Railways proper, as compared with the estimated revenue for 1930, as under:—

	Palestine Railway £P.	*Kantara-Rafa. Railway.* £P.	*Hejaz Railway.* £P.
Coaching, 1930...	172,000	84,000	35,000
1931...	176,000	85,000	33,000
Goods, 1930	195,000	50,000	75,000
1931	185,000	36,000	70,000
Miscellaneous, 1930	34,000	3,000	3,000
1931	36,000	4,000	4,000
Totals, 1930	401,000	137,000	113,000
1931	397,000	125,000	107,000
Decrease	£P.4,000	£P.12,000	£P.6,000

It will be seen that the decrease in revenue is largely due to reduced goods traffic: and the General Manager, Railways, states that the decrease is mainly due to the loss of oil traffic consequent upon the erection of tank installation at Haifa and the conveyance of oil to that port by sea in tankers instead of by rail from Egypt. The General Manager also anticipates reduced goods traffic in consequence of the falling off of the fruit traffic following the protective measures of the Egyptian Government against imported fruit. There will also be a reduction in goods traffic on the Hejaz

* No. 97 in Middle East No. 38.

Railway on the completion of the construction of the Palestine Electric Corporation works at Jisr Mejamie.

Expenditure.

The estimated expenditure of the Railways in 1931 shows an increase of £P.48,898, including an increase of £P.46,266 to be borne by the Palestine Railways proper, as compared with the estimated Expenditure for 1930, as under:—

	Palestine Railway. £P.	*Kantara-Rafa Railway.* £P.	*Hejaz Railway.* £P.
Abstract "A."			
Maintenance and Renewals of Ways and Works, 1930	53,000	30,000	21,000
1931	62,626	30,110	27,141
Abstract "B."			
Maintenance and Renewal of Locomotives and Rolling Stock, 1930 ...	62,000	32,000	24,000
1931 ...	70,554	23,320	24,000
Abstract "C."			
Transportation Expenses, 1930 ...	90,000	31,000	34,000
1931 ...	98,344	29,600	33,912
Abstract "D."			
General Charges, 1930	42,000	28,000	15,000
1931	43,024	35,459	15,059
Abstract "E."...			
Debt Charges, 1930	138,595	—	—
1931	152,963	—	—
Abstract "F."			
Extraordinary Expenditure, 1930 ...	15,000	—	4,000
1931 ...	19,350	—	3,031
Totals, 1930	400,595	121,000	98,000
1931	446,861	118,489	103,143
Increase	46,266	—	5,143
Decrease	—	2,511	—

Abstracts "A," "B," and "C."—The main increases under these Abstracts are:—

Abstract "A":—

Personal Emoluments—

Item 15.—1 Draughtsman, Grade II.
Item 17.—1 Clerk, Special Grade.
Item 38.—1 Assistant Permanent Way Inspector, Grade II.
Item 40.—1 Medical Orderly, Grade III.
Item 42.—1 Draughtsman.
Item 52.—1 Land Valuer.

Maintenance of Water Supply, Roads, Bridges and Works:—

	£P.	£P.
Item 55.—Materials		2,200
Maintenance of Permanent Way:—		
Item 56.—Labour	4,019	
Less: Transfer from Item 54	1,105	
	2,914	
Item 57.—Materials	7,367	
		10,281
Maintenance of Stations, Buildings, Tools and Plant:—		
Item 58.—Labour	1,075	
Item 59.—Materials	1,364	
		2,439

Abstract "B":—

Personal Emoluments:—

Item 18.—1 Clerk, Special Grade.
Item 22.—1 Draughtsman, Grade I.

	£P.	£P.
Maintenance of Locomotives and Rail Cars :—		
Item 33.—Labour	5,570	
Item 34.—Materials	2,270	
		7,840
Electric Services :—		
Item 40.—Materials		568
Abstract " *C* " :—		
Personal Emoluments :—		
Item 19.—1 Clerk, Special Grade.		
Item 26.—4 Clerks, Grade III.		
Item 37.—4 Station Clerks, Grade III.		
Expenses connected with the Running of Locomotives and Rail Cars :—		
Item 50.—Labour	2,077	
Item 51.—Materials	4,000	
		6,077
Expenses connected with Stations and Movements of Trains and Traffic other than Locomotive Expenses :—		
Item 52.—Labour		1,500

The following remarks explain the increases under Personal Emoluments of Abstracts " A," " B," and " C " :—

Abstract "A " (*Item* 17), *Abstract " B "* (*Item* 13), *and Abstract " C "* (*Item* 19).

The General Manager made provision under these items for the promotion of 2 Grade I Clerks, to the Special Grade. Two of these clerks are chief clerks in the Engineer Ways and Works Branch and the Chief Mechanical Engineer's Branch, and the third clerk is a senior clerk in the Office of the Superintendent of the line; they have been recommended for promotion by virtue of the supervisory nature of their duties and long service.

Abstract " A."

Item 15.—The provision under this item is for the promotion of a Draughtsman from Grade III to Grade II. This officer is also a surveyor. A corresponding reduction in the number of Draughtsmen, Grade III (Item 16) has been made.

Item 38.—Provision is made under this item for the promotion of an Assistant Permanent Way Inspector from Grade III to Grade II on the grounds of the responsibilities of his office, and a corresponding reduction of an Assistant Permanent Way Inspector in Grade III (Item 39) has been made.

Items 41 *and* 43.—Provision is made under these items for a Medical Orderly and a Draughtsman which have hitherto been met from the vote for Labour (Item 56).

Item 53.—The emoluments of the Land Valuer provided for under this item have in the past been charged to Capital Improvements. It is still necessary to maintain the part-time services of this officer to deal with outstanding claims for land, but it is considered desirable that his emoluments should be shown separately under this Abstract.

Abstract " B."

Item 22.—The provision for the promotion of a Draughtsman from Grade II to Grade I is made by reason of the nature of this officer's duties and his long service and efficiency.

Abstract " C."

Items 26 *and* 37.—The new appointments of four clerks, Grade III and Station clerks are necessary owing to the amount of work in the Office of the Superintendent of the Line and at stations and to avoid the working of excessive overtime. There is, however, a saving of eight appointments of Station Masters, Grade III (Item 35).

The main increases under Abstracts " A," " B," and " C " are, however, in respect of arrears of maintenance. The General Manager states that the permanent way, locomotives, and rolling stock have not been kept up to the standard necessary to ensure a satisfactory service and the safety of the travelling public, and that in previous years the provision has been inadequate mainly owing to the necessity for economy. The provision for the rental contribution of the Kantara-Rafa Railway for Palestine Railway Locomotives and Rolling Stock estimated in 1930 at £P.8,300 has been transferred to Abstract " B.'

Abstract " D."—The main increases under this Abstract are :—

Personal Emoluments :—

Item 12.—1 Clerk, Grade II.
Item 13.—1 Clerk, Grade III.

Item 19.—1 Assistant Chief Accountant, Class II.
Item 38.—1 Assistant Superintendent of Stores, Class III.
Item 42.—1 Clerk, Grade II.
Item 44.—1 Clerk, Grade III.

Other Charges :—	£P.
Item 57.—Printing, Stationery, Advertising, and Publicity	1,000
Item 60.—Compensation, Pensions, and Gratuity	1,000
Item 61.—Rent of Buildings and Land	870
Item 65.—Medical Services	650
Item 68.—Kantara-Rafa Railway Proportion of Renewals of Locomotives and Rolling Stock	8,400

Items 12 *and* 13.—The provision under Item 12 is for the promotion from Grade III to Grade II of the Chief Typist in the General Manager's Office. The responsibilities of the office and the efficiency of the holder afford ample grounds for the promotion. It has, however, not been possible to reduce the number of Grade III clerks, the provision for which in 1931 has been increased by one (Item 13). The General Manager states that his Office is under-staffed.

Items 19 *and* 23.—The promotion of the Assistant Chief Accountant from Class III to Class II was approved in Secretary of State's despatch No. 733 of the 10th [?11th] September last.* On the other hand, the filling of two new appointments of Assistant Accountants in Class III for which provision was made in the Estimates for 1930 is temporarily postponed and provision for these appointments in 1931 has been omitted.

Item 38.—Provision has been made under this item for a new appointment of an Assistant Superintendent of Stores, Class III, and proposals are being made for the filling of this post by the clerk, Grade I (Item 40). This officer has in the past frequently acted as Superintendent of Stores. The provision of the Grade I clerk under Item 40 has been deleted.

Items 42 *and* 44.—The provision under Item 42 is for the promotion of a clerk from Grade III to Grade II; and in view of the abolition of the appointment of clerk, Grade I, the nature of this officer's duties and his long service and efficiency the promotion is a necessary one. The two new appointments of clerks, Grade III, under Item 44 are necessary owing to the increase of work in the Stores Branch.

Item 57.—The additional provision under this item is necessary for the printing of the new tariff and for increased publicity.

Item 60.—The increased provision under this item is to cover the additional pensions now payable and to meet anticipated additional claims for compensation and gratuities.

Item 61.—The provision made under this item is required to meet all rents payable during the year. The amount provided in the previous year was underestimated.

Item 65.—The additional provision made under this item is necessary to meet increased expenses in connexion with the Railway Medical Services at Haifa, which have recently been increased.

Item 68.—The provision under this item has been transferred from Abstract " B " (Item 41).

Abstract " E."—The main increase under this Abstract occurs under Item 2 " Sinking Fund Charges " in the amount of £P.14,394. The provision made in 1930 Estimates was for the first half-yearly contribution at 11s. 8d. per cent. due 1st November, 1930. The provision now is in respect of the annual contribution at £1 3s. 4d. per cent. payable in two half-yearly instalments due on 1st May and 1st November, 1930.

Abstract " F."—Provision has been made under this Abstract for new works to be executed during the year. The necessity for each item of work is explained as follows :—

PALESTINE RAILWAYS.

Item 1.—*Provision of Goods Shed and Platform at Tel-Aviv*—£P.2,063.—Provision has been made to meet the cost of the most urgent part of the scheme of improvements at Tel-Aviv, estimated at £P.11,548, which was previously held up pending a decision as to the deviation of the main line. It is not desired to effect the remaining improvements during the year 1931.

Item 2.—*Provision of Well and Pump at Lydda*—£P.1,450.—The sinking of a well and the provision of a pump at Lydda will result in a saving of approximately

* P.F. 28142 [No. 26] : not printed.

£P.480 per annum in the cost of water which at present is procured from a private source.

Items 3 *and* 24.—*Reconstruction of Headquarters Buildings at Haifa*—£P.300.—The present premises are unsuitable and the reconstruction provided for will effect the improvements desirable. One-half of the cost will be borne by the Palestine Railway proper (Item 3) and the second half by the Hejaz Railways (Item 24).

Item 3.—*Signalling at Deir Esh Sheikh*—£P.334.

Item 5.—*Signalling at Artuf*—£P.413.

Item 6.—*Signalling at Vale of Sorek*—£P.730.

Item 7.—*Signalling at Bittir*—£P.250.

In consequence of a recent accident at Bittir, it has been found necessary to effect improvements and rearrangements of signalling to avoid the possibility of repetition.

Item 8.—*Fitting of* 100 *Vehicles with through Vacuum Pipes*—£P.1,000.

Item 9.—*Fitting of* 25 *Vehicles with Vacuum Brakes*—£P.1,500.—The expenditure under these items is most necessary for the safety of passengers and goods in view of the recent accident at Bittir.

Item 10 —*Purchase and Erection of* 1 *Benzine and* 5 *Kerosene and Crude Oil Tanks*—£P.1,560.—The provision made under this item was approved in the Secretary of State's despatch No. 955 of 3rd December. 1930.*

Item 11.—*Land Compensation Claims*—£P.550.—Provision has been made under this item for the anticipated settlement of outstanding claims.

Item 12.—*Minor New Works*—£P.5,000.—The provision made under this item is necessary to meet minor new works during the year.

Item 13.—*New Lay-out at Kantara for Wagon Transporter*—£P.3,950.—The construction of a new line and sidings is in consequence of the decision of the Suez Canal Company to transfer the wagon ferry to a new site south of the Kantara East Passenger Station. As the expenditure is a capital charge, under the financial arrangements for the working of the Kantara-Rafa Railway, the expenditure falls to be borne by the Palestine Government.

Item 14.—*Signalling Alterations and Improvements at El-Arish—Mazar*—£P.400 —Provision has been inserted under this item for fitting extended arms and new copper conductors for block-lines to secure greater safety in working. As the expenditure is a capital charge, under the financial arrangements for the working of the Kantara-Rafa Railway, the expenditure falls to be borne by the Palestine Government.

Hejaz Railway.

Item 15.—*Provision of Staff Quarters at Samakh*—£P.1,850.—It has been decided to withdraw the old carriages which are dilapidated in which the staff is now temporarily accommodated at Samakh. Provision has, therefore, been made under this item for providing suitable quarters

Item 16.—*Erection of Windmill Pumps at El Hassa, Katrani and Zigia*—£P.300.—The provision of the windmill pumps will result in a saving of water haulage.

Item 17.—*Deepening of Well at Tel Esh Shamnam*—£P.100.—The Station of Tel Esh Shammam is the most important watering station on the Palestine section of the Hejaz Railway, and it is desirable to increase the water supply by deepening the well, for which provision has been made under this item.

Item 18.—*Resurfacing of Approach Road, Tel Esh Shammam Station*—£P.75.

Item 19.—*Resurfacing of Approach Road, Shutta Station*—£P.180.

Item 20.—*Resurfacing of Station Yard, Amman*—£P.77.—The approach roads at Tel Esh Shammam and Shutta Stations and the Station Yards at Amman are in bad condition, and it is essential to effect resurfacing, for which provision has been made under these items.

Items 21, 22, *and* 23.—*Signalling Improvements at Kilometres* 7, 61, *and* 78 (£P.33 each)—£P.99.—It is considered necessary that certain additions and improvements to the signalling arrangements should be effected at these points for the safer working of trains and for which provision is made under these items.

Item 24.—*Reconstruction of Headquarters Buildings at Haifa*—£P.150.—See explanation under Item 3.

Item 25.—*Land Compensation Claims*—£P.200.—The provision under this item is made to meet outstanding claims which it is anticipated to settle during the year.

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* C. 77219/30 [No 36]: not printed.

Enclosure 3 in No. 1.

Palestine Railways,

Chief Secretary, General Manager's Office, Haifa, 10th October, 1930.

Subject: Railway Draft Estimates for 1931.

I enclose the draft Estimates for the Railway Department for 1931, and in doing so take the opportunity of commenting upon the financial position of the Railway as it appears to me after four months of management.

Revenue.

2. The total revenue for all sections is estimated at £P.629,000 against £P.651,000 for the current year, and these figures are divided as to sources and proportions for the three Railways as follows:—

		Gross Estimates.	Palestine Railway.	Sinai (Kantara-Rafa) Railway.	Hejaz. Railway.
Coaching.		£P.	£P.	£P.	£P.
1930		291,000	172,000	84,000	35,000
1931		294,000	176,000	85,000	33,000
Goods.					
1930		320,000	195,000	50,000	75,000
1931		291,000	185,000	36,000	70,000
Miscellaneous.					
1930		40,000	34,000	3,000	3,000
1931		44,000	36,000	4,000	4,000
Total.					
1930		£P.651,000	£P.401,000	£P.137,000	£P.113,000
1931		£P.629,000	£P.397,000	£P.125,000	£P.107,000

3. So far as possible the figures are based on the results to a recent date of the present year's working, but I hope they will prove to be below the actual receipts and that our revenue will be increased among other causes, by measures taken to meet road competition, greater publicity, and a larger orange traffic to Haifa.

4. Even so it has been necessary to show a considerable decrease in goods revenue. The receipts for the present year so far fall short of the estimates and a further loss is to be expected following the opening of the oil installations at Haifa which will result in the disappearance of the oil traffic from Egypt by rail.

5. It is also to be feared that the increasing taxation on Palestine produce to Egypt will have an adverse effect on our revenue

6. The cessation of traffic in construction-material, consequent upon the early completion of the Electric Corporation's works at Jisr el Majamie, may cause a decrease in the goods receipts of the Hejaz Railway.

Expenditure.

7. With regard to the expenditure estimates, I find myself in the unfortunate position of having to show, for the first time I believe or, at any rate, for some years, a considerable loss on working, although it is to be presumed that in any case there would have been an estimated loss on the broad gauge railway in Palestine because the profit shown for the present year was only £P.405 and the Sinking Fund charges for 1931 will be increased by £P.14,394 as provision for six months only was made in the present year. The indications are that the actual results of working in 1930 will show a considerable loss probably amounting (very approximately) to £P.13,000.

8. I realize that strict economy is most essential, and I could no doubt show an apparently but not really less unsatisfactory position by a very drastic cut in the estimates. To do so, however, would in my opinion be bad management and most incorrect, because it would mislead Government as to the real position of the Railway and any satisfaction to be derived from such a course could, in the circumstances, only be very temporary and bring about a still more unsatisfactory state of affairs in the near future.

9. In any case, as you are no doubt well aware, the large profits shown in the past have been to a great extent fictitious because for some time the Railway paid no interest or Sinking Fund charges and even now no provision is made for Renewals and Betterment Funds (for the Palestine Railway) or for contributions to any Provident Fund scheme for the staff.

10. There appears to be no doubt that these apparently satisfactory results have been obtained in part at the expense of proper normal maintenance and improve-

ment, and I fear not a little at the expense of the staff. In making these remarks I refer not only to reductions required by Government but also to cuts made in the estimates of the Railway Branches before submission to Government.

11. The system in the past seems to have been one of rationing rather than of estimating actual requirements, and it has apparently been the practice to reduce the original estimates so that they should on no account exceed the estimated revenue. This is proper theory and good practice in normal circumstances, but I suggest that the circumstances here are not normal.

12. To keep the expenditure within the revenue rigidly and permanently supposes a complete analogy with an ordinary commercial railway, whereas no such complete analogy exists.

13. The Debt and Sinking Fund charges on 188 miles of line exclusive of sidings (*i.e.*, the Palestine 4ft. 8½in. gauge Railway) in 1931 will be £P.152,963 representing £P.814 a mile, 38 per cent. of the estimated revenue and 34 per cent. of the estimated expenditure. With such a burden I do not see how a railway in a small country with keen motor competition and very limited traffic possibilities can reasonably be expected to show a profit on working.

14. I think it may be assumed that no commercial company would have built an expensive 4ft. 8½in. gauge line or on the existing location; nor would they have continued to carry a large amount of derelict capital represented by non-paying and in some cases non-existent lines and quantities of unwanted stock and material. Further, they would not have been saddled with the expense, not inconsiderable, of keeping three sets of accounts.

15. While appreciating the difficulties of such a course I trust Government will find it possible favourably to consider the question of writing down the value of the Railway to a figure more in keeping with its actual traffic value. Even so, owing to the unnecessarily wide and expensive gauge, the cost will be much greater than warranted by traffic requirements and revenue possibilities.

16. Perhaps it may also be considered whether the Railway should have any concern in payments to the Sinking Fund. If the Railway is to be charged for maintenance and renewals to keep the line reasonably near its stated value it does not seem right that we should also have to contribute towards the reduction of the debt on the line. To do so appears to be in the nature of a double payment. At the least I would suggest, if this is not already intended, that the capital upon which we pay interest should be reduced each year by the amount paid to the Sinking Fund plus interest on that amount.

17. The formation of the Renewals Fund for the Palestine Railway is a matter of urgent desirability although it seems apparent that the Railway will not be able to start and maintain such a fund so long as it has to meet such inordinately high debt and Sinking Fund charges. From the Railway point of view it is perhaps unfortunate that any balances of the " profits " during recent years, after deducting any amounts paid for capital improvements and other charges such as interest charges (direct or on advances in anticipation of loans, &c.) were not used for the formation of Renewals and Betterment Funds.

18. I fully appreciate that it is necessary to make drastic reductions in the estimates of all Departments of Government in times of financial stress, although I must say that I always feel that deterioration of such a valuable asset to the country as the Railway on this account should be avoided as far as possible In any case such reductions cannot go on indefinitely year after year seeing that, apart from any question of safety or loss of existing or potential traffic, every time these reductions are made the eventual expense in many directions becomes greater. As an instance I have in mind a case of which I am informed where, a few years ago, the painting of the roofs of 250 covered wagons could not be done owing to the reduction of the Branch estimates. A short time later, owing to their exposure to the weather, it became necessary to renew all the roofs, a very much greater expense. In support of my remarks I quote below from a recent issue of *The Railway Gazette* an article which applies with particular force to the Palestine Railways which have not even been brought up to ordinary standard :—

Reduced or deferred maintenance.

In these days of enforced economy in all directions, Railway maintenance naturally comes up for consideration. There is a tendency, however, to emphasize the aspect of reduction when, in practice, the reduced expenditure is obtained by deferring works " until a more convenient time," in which case, to quote our American contemporary, the " Railway Age," in a discussion of this topic, such reduction results in " temporary deterioration of the properties."

On any well maintained railway, a description which certainly applies to our own systems, there should always be a sufficient reserve of service to allow of a certain amount of

maintenance being deferred without appreciable depreciation of the standards usually adopted, but in such cases the work has to be undertaken later if very decided deterioration is not to result, though it may be practicable to hold it over from one half-year or year to the next.

The distinction between actual economy and reductions by deferring is, however, a very real one, though there may be distinct advantages in holding over work provided the plant is up to standard for the time being and that deferring is not made a regular practice.

19. The maintenance of a railway certainly does not become cheaper as time goes on, and this applies particularly to a Military Railway built in war time and which is constructed hurriedly, frequently of old material and stocked with old locomotives and rolling stock, without full regard to gradients, curves, ballasting, safety appliances, buildings, &c., and the general permanence and standard required by an ordinary railway. As an example in this connexion I have recently had to ask your sanction to the unexpected expenditure of £P.450 for repairs to a bridge built during the War and found to be of weak construction. A glance at the two accompanying lists of extraordinary works recommended for next year, and desirable as early as possible, will show a number of other examples of my meaning.

20. I might also quote the recent serious and expensive accident on the Jerusalem line where the effects of the runaway would most probably have been mitigated by the safety measures which would normally have been provided during construction.

21. The fact is that Government has been compelled to acquire a railway not only unnecessarily expensive in price of purchase but more than ordinarily expensive in maintenance, renewals, and desirable and necessary improvements and measures to bring the line up to standard and to induce more traffic.

22. It is a recognized fact that facilities create traffic, and it is, therefore, more desirable on this account that we should spend the necessary amount on the proper maintenance of track, stock, buildings, and also on improvements, publicity, &c.

23. Although no increase in revenue appears in the estimates at present the work and expenditure of the Department is being increased by the necessity for meeting competition and the numerous demands for this developing country. It is hoped that increased traffic will be the eventual result, although in one notable case at the present time—that of the oil area at Haifa—we are compelled to expend effort and money to assist a scheme which, for the time being at any rate, actually deprives us of revenue.

24. From this review of the position it would appear that the railway is likely to be a burden of which Government would be well advised to rid themselves, but in this connexion I think it would be permissible for me, in writing to Government, to quote from a despatch from the Secretary of State some years ago on the financial position of a Colonial Railway, and of which I have kept a copy, because the views expressed in such concise and authoritative form are those which I should wish to put forward myself :—

If the figures drawn up by . ... showing a large annual loss on the working of the Railway since its inception, were to be regarded as a final statement of the case, the logical conclusion would be that it would be profitable to the Government to close the Railway altogether.

The truth is that the Railway renders services to the country and the Government, the value of which cannot readily be brought to account, but which may roughly be measured by the increase in the revenue of the Government from ..... in ..... when the Railway was opened, to ..... at the present date.

And again from the revenue side, there is no doubt that a privately owned railway would be able by adjustment of rates to intercept a good part of the revenue now accruing to the Government from export and import duties on goods carried by the line.

25. I do not overlook the possibility of economy in some directions, although it is evident that this point received the careful attention of my predecessor. I shall not fail, however, to consider any measures for effecting further economy.

26. Economies in connexion with the train services require very careful consideration, especially under the conditions prevailing in Palestine. The curtailment of facilities is likely not only to prevent new traffic coming to the railway but to drive away some of the traffic we already have. I am inclined to think that little more can be done in this direction. On the contrary it may be advisable to increase our facilities if it appears likely that a temporary loss will result in an eventual gain.

27. I feel that the time has come when we should adopt a system of estimating on the reasonable requirements of the railway rather than continue to follow a procedure of rationing. I do not say at present that this procedure has produced unsafe conditions, but it is tending to do so, and the disadvantages are reflected in the unsatisfactory locomotive position; in the inability to make desirable improvements and also, a very important point, in increasing discontent among the staff.

28. Certain promotions have been provided for and are referred to in paragraph 40 below. They involve only a comparatively small aggregate increase in 1931. Increases have been shown in order to remove certain anomalies and allow rather more increments to the unclassified and daily wage staff which I consider have been given much too infrequently and sparingly in the past.

29. I wish to make it clear, however, that the increased provision for Staff payments in 1931 will not allow for the complete elimination of any undesirable anomalies and unsatisfactory conditions of working of which I need not give details here but a continuance of which exposes the Government and Railway to criticism. There is no provision for any increases due to the introduction of a proper cadre, the absence of which is a serious weakness in our organization, or for contributions to a Provident Fund or Renewals Fund.

30. Part of the increased expenditure is caused by the requirements of the Harbour Works and oil area and by the arrears of maintenance in the Lydda District which have been waiting a decision as to the deviation of the Main Line.

31. I have discussed the estimates with each of the Heads of Branches and am unable to find that there is any extravagance.

32. The total estimated ordinary expenditure for the three Railways for 1931, including debt charges on the Palestine Railway only, is £P.646,112 divided as to Railways and with a comparison with the present year as follows:—

	1931. £P.	1930. £P.
Palestine Railway	427,511	385,595
Sinai (Kantara-Rafa) Railway ...	118,489	121,000
Hejaz Railway	100,112	94,000

33. The estimated results of working are, therefore, as follows:—

	Total. £P.	*Palestine Railway.* £P.	*Sinai Military Railway.* £P.	*Hejaz Railway.* £P.
Ordinary Expenditure ...	646,112	427,511	118,489	100,112
Extraordinary Expenditure	22,381	19,350	*	3,031
Total Expenditure ...	668,493	446,861	118,489	103,143
Revenue	629,000	397,000	125,000	107,000
Deficit	£P.39,493	£P.49,861	—	—
Surplus	—	—	£P.6,511	£P.3,857

*NOTE.—The amount estimated in respect of extraordinary expenditure on the Sinai (Kantara-Rafa) Railway is £P.13,098. Details are shown as a charge against the Sinai (Kantara-Rafa) Railway Special Fund in respect of £P.8,748. The balance of £P.4,350 is shown under Abstract "F" as a charge against the Palestine Railway, as provided for in the financial arrangements.

In considering these figures it is to be remembered that £P.18,368 of the deficit on the Palestine Railway is accounted for by a decrease in revenue of £P.4,000 and an increase in debt charges of £P.14,368. With regard to the Sinai and Hejaz Railways there are decreases in revenue of £P.12,000 and £P.6,000 respectively.

34. I have so far only divided the totals of Abstracts between the three Railways as it seemed undesirable to go to the trouble of making a detailed division which may have to be altered.

35. The method of division is the same as that followed hitherto, namely, by direct charge where possible and in other cases on the basis of engine, train and vehicle mileage, coal consumption, &c.

36. It is not easy to suggest a better method but the present system seems to me very cumbersome and confusing and I understand the Heads of Branches experience the same difficulty as myself in ascertaining at any time and without difficulty the position as regards expenditure common to two or three Railways.

37. I am also inclined to think that the division operates unduly in favour of the Sinai Military Railway, which obtains good revenue with little effort and practically no contribution to traffic throughout its length.

38. I understand that the question of the method of division has also received consideration but I could perhaps discuss it with the Treasurer some time as I should very much like to see the introduction of some simpler method.

39. The Personal Emoluments Estimates for 1931 are rather complicated by the recent decision as to assimilation of scales of salary.

40. I wish to ask your authority to the following changes which I think are modest for a large Department with a staff of over 3,300. They are mostly changes and promotions for the reasons stated in paragraph 28 above, and in this connexion I wish to say that an excessive amount of overtime is being worked in some of the Offices:—

Abstract and Item. — *Alteration.*

A. 15.—*Draughtsman—Promotion from Grade III to Grade II.* The officer proposed for promotion is also a Surveyor and is recommended on the grounds of efficiency and importance of duties.

A. 17.—*Clerk—Promotion from Grade I to Special Grade.* Your correspondence 137/29. Recommended on grounds of long service and efficiency. Special Grade considered suitable for his supervisory position.

A. 19.—*Clerk—Promotion from Grade II to Grade I.* Recommended on grounds of long service and efficiency.

A. 22.—*Clerk—Promotion from Grade III to Grade II.* Recommended on grounds of efficiency to fill the post which will be vacated if above recommendation is approved.

A. 23.—*Clerk—Promotion from Unclassified to Grade III.* Recommended on grounds of efficiency.

A. 27.—*General Foreman.* Post dispensed with.

A. 38.—*Assistant Permanent Way Inspector—Promotion from Grade III to Grade II.*—Recommended on grounds of efficiency and responsibilities.

A. 41.—*Medical Orderly—Transfer from Item* 56. A definite post which it is considered should be in a grade rather than as hitherto paid from Open Votes.

A. 45.—*Draughtsman* (*Unclassified*). Transfer from Item 56.

A. 47.—*Clerk* (*Unclassified*)—*New appointment.* Transfer from Open Votes in order to show position more specifically and one new appointment to fill a vacancy.

A. 53.—*Land Valuer.* Previously charged to Capital Improvements from revenue, Abstract "F."

B. 13.—*Clerk—Promotion from Grade I to Special Grade.* Your correspondence 137/29. Recommended on grounds of long service and efficiency. Special Grade considered suitable for his supervisory position.

B. 15 —*Clerk—Promotion from Grade II to Grade I.* Recommended on grounds of long service and efficiency to fill the above vacancy if promotion approved.

18 —*Clerk—Promotion from Grade III to Grade II.* Recommended on grounds of long service and efficiency to fill above vacancy if promotion approved.

22.—*Draughtsman—Promotion from Grade II to Grade I.* Specially recommended on grounds of long service and outstanding efficiency.

C. 17.—*Trains Controller.* Post abolished.

19.—*Clerk—Promotion from Grade I to Special Grade.* Your correspondence 137/29. Recommended on grounds of long service and efficiency. Special Grade considered suitable for his supervisory position.

26.—Appointment of four new clerks in Grade III to allow for apprentice clerks and to cope with volume of work which is causing excessive overtime.

35 —*Station Masters* (*Eight*). Posts suppressed.

C. 37.—Appointment of four Station Clerks necessary for work.

D. 12.—*Clerk—Promotion from Grade III to Grade II.* Already sanctioned by you.

13 —*Clerks—Two new appointments—Grade III.* Essential for increased work.

19.—*Promotion of Assistant Chief Accountant from Class III to Class II.* Sanctioned by Secretary of State's despatch No. 733, dated 10th September, 1930.

23.—*Two Assistant Accountants.* Post suppressed temporarily.

Abstract and Item.

Alteration.

38.—*Assistant Superintendent of Stores—Promotion from Clerk Grade I to* Class III. Under correspondence with you. Recommend as a very desirable appointment which could be filled locally without increase of staff.

42.—*Clerk—Promotion from Grade III to Grade II.* Under correspondence with you. Recommended on grounds of long service and efficiency.

44.—*Clerks—Two new appointments.* Required for increased work.

41 With promotions, additional appointments, and normal increments the total increase in the Personal Emoluments Votes (excluding wages staff) is only £P.386 and a considerable part of this is accounted for by normal increments.

42. The principal increases in the ordinary estimates are as follows:—

	£P.	
1. Labour	13,008	To meet arrears of and increased current maintenance the necessity for which is explained in this letter.
2. Materials	16,849	
3. Printing, Stationery, Advertising, and Publicity	1,000	For printing the new tariff in the three languages and for increased publicity
4. Uniforms	244	To cover biennial issue of winter uniforms.
5. Rent of Buildings and Land	870	Previously met by special warrant and no provision made in the estimates.
6. Medical Services	650	Medical Officer at Kantara omitted in 1930 Estimates. Also expenses in connexion with Dispensary for new Senior Medical Officer, Railways.
7. Colonial Audit Services ...	200	Increase requested by Auditor.
9. Interest and Sinking Fund Charges...	14,404	Only six months provided in 1930 for Sinking Fund Charges.
10. Compensation, Pensions, and Gratuities	1,000	To meet additional commitments.

43. I am afraid the heavy increases for labour and material (Items 1 and 2 in the previous paragraph) will be viewed with surprise and concern, but the position may be better understood when I say that the estimates of the three Branches concerned, namely, the Traffic, Engineering, and Locomotive Branches for all the three Railways were reduced by £P.38,072 in 1929 and £P.37,643 in the present year.

44. I have already had to ask you to sanction an additional expenditure of £P.1,490 in the present year to enable more staff to be engaged to meet the Locomotive position, but this is only a temporary and insufficient palliative.

45. In addition to any increased staff and material required to meet arrears of and maintain normal maintenance it is most desirable to do something soon to improve the working conditions of some of the staff in the direction of more reasonable hours, more rest, payment for overtime, increments for long and improved service, correct grading, &c. I have received representations (by no means the first submitted) on these points from a deputation from the staff.

46. In addition to the ordinary Estimates I submit a programme of extraordinary works. This programme is prepared from a list of essential and desirable works originally submitted to me comprising some 185 items at a total cost of, roughly, £P.169,000. A number of these items were deleted altogether by me as being impossible of acceptance for a long time owing to financial reasons and others have been disallowed after discussion with you.

47. I also attach a list showing really desirable works not included in my original draft Estimates for 1931 but which, in addition to the items deleted from my Estimates on your instructions, I should wish to put in hand if funds were available.

48. The desirability for these works will emphasize the point to which I referred in paragraph 19 above, namely, the incompleteness and, therefore, the later additional capital expense of a military railway built in time of war.

49 An item for new Minor Works appears in Abstract "F" as hitherto. I see no objection at present to showing it in this portion of the Estimates, in fact I think it is preferable, although the usual procedure is to include it in the ordinary maintenance Abstracts. It is an item which figures in all railway estimates and is most useful for meeting essential but unanticipated requirements.

50. I regret that in my first Estimates as General Manager of these Railways I should have felt compelled to paint such a gloomy picture of the financial position but I wish to emphasize that there would probably be no reason for pessimism were it not for the extremely high debt charges which the Railway has to meet.

C. R. WEBB,
General Manager

P.S.—This letter was originally written in October to accompany my first draft Estimates, but has subsequently been altered in some respects; especially as regards figures, to conform to the reductions made after discussion with you. It will be appreciated therefore, that the provision now made as regards Staff and Works falls considerably short of the requirements which I actually desired and hoped it would be possible to meet.

(Initialled) C. R. W.

12th December, 1930.

LIST OF DESIRABLE WORKS TO BE EXECUTED WHEN FUNDS ARE AVAILABLE.

Work.	*Estimate.* £P.	*Palestine Railway.* £P	*Kantara-Rafa Railway.* £P.	*Hejaz Railway.* £P.
A.—Trackwork and Station Layouts.				
Deviating Main line to eliminate small radius curves between Khan Yunis and Rafa ...	13,000	13,000	—	—
Deviating Main line between Ramleh and Naaneh to improve the alignment which is now over many small radius curves ...	3,800	3,800	—	—
Removal of Kalkilieh Station to a site nearer the village	2,115	2,115	—	—
Change of layout and new station buildings at Gaza	15,609	15,609	—	—
Relaying Ras el Ain Station as a Standard Station	2,000	2,000	—	—
Laying in a loop at Rehovoth Station ...	650	650	—	—
Tel-Aviv.				
(*a*) Extension of passenger platform and station building	3,197	3,197	—	—
(*b*) Platform roof	1,465	1,465	—	—
(*c*) Approach road to passenger station ...	2,053	2,053	—	—
(*d*) Trackwork	284	284	—	—
(*e*) Goods yard surface and approach road	1,386	1,386	—	—
(*f*) Fencing and gates	1,100	1,100	—	—
	9,485	9,485	—	—
Ballasting—Acre Line	1,500	—	—	1,500
B.—Station Buildings and Equipment.				
Providing a high level platform and extending the roofing at Jerusalem Station. (Type of roof structure not yet determined)	2,400	2,400	—	—
New Station Buildings at Deir Seneid to replace decrepit ex-army hut now in use	500	500	—	—
New Station Building at Yebnah to replace decrepit ex-army hut now in use ...	900	900	—	—
Ditto at Deir El Belah	500	500	—	—
New Station Building at Ashdod to replace decrepit ex-army hut now in use ...	500	500	—	—
Ditto at Kafr Jinnis...	900	900	—	—
Ditto at Rafa	900	—	900	—
Ditto at Petah Tikvah	500	500	—	—
Goods Shed and Goods Platform, Majdal ...	300	300	—	—
Ditto at Yebnah	300	300	—	—
Goods Shed and Platform at Ras el Ain ...	300	300	—	—
Weighbridge at Jaffa	1,700	1,700	—	—

Work.	Estimate. £P.	Palestine Railway. £P.	Kantara-Rafa Railway. £P.	Hejaz Railway. £P.
Sandhut, Lydda	60	60	—	—
Addition of second storey to Lydda Station Building to eliminate existing wooden offices of District Traffic Superintendent and Telegraphs	1,200	1,200	—	—
C.—Water Supply.				
Water storage at Desert Station (concrete tanks to replace old iron tanks)... ...	3,140	—	3,140	—
Windmill pump for Yebnah	100	100	—	—
Connecting Station by piping with existing well at Majdal	70	70	—	—
Well and pump at Taybeh	250	250	—	—
Ditto at Kafr Jinis	350	350	—	—
Ditto at Ashdod	300	300	—	—
Improvements to water supply at Deir Esh Sheikh (renewal of piping)	850	850	—	—
Provision of covers, taps, and pumps on storage tanks at Stations...	200	200	—	—
Water supply for Shutta Station.	386	—	—	386
D.—Staff Quarters.				
New quarters for Platelayers	2,206	1,668	278	260
Crossing Keeper's Hut at Sarona Road ...	220	220	—	—
Stone quarters to replace old wood quarters used by J.S. staff at Lydda	1,300	1,300	—	—
Stone quarters to replace old wood quarters of S.S. Officers at Lydda	4,000	4,000	—	—
Quarters for Station-master and Assistant Station-master at Tel-Aviv (concrete and stone)	700	700	—	—
Quarters for Assistant Station-master, Jaffa	400	400	—	—
Quarters for Porter at Benyamina	192	192	—	—
Quarters for Porter at Khudeira	192	192	—	—
Quarters for Porter at Athlit	192	192	—	—
Quarters for Guards, Lydda	384	384	—	—
Examiner's Hut, Lydda	60	60	—	—
Quarters for Engine Driver, Gaza	90	90	—	—
E.—Sanitation and Drainage.				
Latrines in Goods Yard, Jerusalem ...	110	110	—	—
Staff Latrines, Haifa	332	166	—	166
F.—Fencing				
Fencing, Jerusalem	830	830	—	—
Fencing, Tel-Aviv	528	528	—	—
Fencing, Naaneh	300	300	—	—
Fencing, Benyamina	500	500	—	—
Fencing, Haifa and Nablus	2,000	—	—	2,000
G.—Bridging.				
Replacement of steel spans by concrete slabs and arches, Jerusalem Line ...	1,100	1,100	—	—
H —Roads.				
Heavy type level crossing barriers, Allenby Street	655	655	—	—
Light level crossing barriers, Rehoboth ...	140	140	—	—
Heavy type level crossing barriers, Sarona road	408	408	—	—
Surfacing yards at Afule, Ain Harod, and Beisan	600	—	—	600
Surfacing yard at Jisr el Majame	600	—	—	600

Work.	Estimate. £P.	Palestine Railway. £P.	Kantara-Rafa Railway. £P.	Hejaz Railway. £P.
I.—Signalling and Interlocking.				
Safe working devices for Rehoboth ...	654	654	—	—
Signalling and interlocking, Ramleh ...	611	611	—	—
Signalling and interlocking, Jaffa (Lydda end)	496	496	—	—
Signalling and interlocking, Lydda South ...	3,605	3,605	—	—
Signalling and interlocking, Lydda North (price of 40 lever frame to be confirmed)	2,522	2,522	—	—
Signalling and interlocking, Tel-Aviv ...	275	275	—	—
Improvements in safe working at Jerusalem Station and provision of a new signal cabin on a new site	500	500	—	—
K —Tools and Plant.				
Quarry equipment for Nur Esh Shams ...	300	300	—	—
Machinery for District Engineer, Haifa Shops. (Circular saw and a small Diesel motor concrete mixer)	400	200	—	200
Purchase of 14 portable locomotive wheel balancing machines (ten 12-ton capacity and four 10-ton capacity)	1,324	1,324	—	—
New engine for electric dynamo, Lydda ...	500	500	—	—
Speed recorders for locomotives (each £20).				
Total	£P.103,476	£P.93,446	£P.4,318	£P.5,712

C. 87089/2/31 [No. 3].

No. 2.

COLONIAL OFFICE to TREASURY.

Downing Street, 8th January, 1931.

SIR,

I AM directed by Lord Passfield to transmit to you, to be laid before the Lords Commissioners of the Treasury, the accompanying copy of a Confidential despatch* from the High Commissioner for Palestine forwarding the draft Estimates of Revenue and Expenditure of the Palestine Government for the year 1931

2. A further communication will be addressed to Their Lordships when the Estimates have been considered in detail

I am, &c.,
O. G. R. WILLIAMS.

C. 87089/2/31 [No. 8A].

No. 3.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER

(Confidential.)

Downing Street, 4th February, 1931.

SIR,

I HAVE the honour to refer to my despatch No. 57 of the 20th of January† with which was transmitted a copy of the terms of reference of the O'Donnell Commission and to inform you that as the duty of the Commission will be *inter alia* to examine and report on—

"(*a*) the efficiency and economical staffing of existing Departments; and
(*b*) the proposals for new services and new staff made as a result of recent inquiries or otherwise,"

I am of the opinion, with which you will no doubt agree, that until the report of the Commission has been received and considered it is inadvisable, save in very exceptional

* No 1.

† C. 87033/31 [No. 24]: not printed.

cases, to make any changes in the existing approved establishments of the various Departments or to embark on expenditure on recurrent and extraordinary services which has not already been approved.

2. I consider, therefore, that any proposals of the above nature which have been submitted for my consideration but which have not been approved by me should be referred to the Commission, in addition to any new proposals which you may have in view. I should be glad if you will arrange for this to be done. This will have the effect, so far as the 1931 Estimates are concerned, of causing to be deferred any proposals for new services and for the increase or the regrading of staff, unless there are exceptional circumstances, in which case you will no doubt refer to me with a full explanation of the particulars of each case.

3. I enclose for your information a list, which is not necessarily exhaustive, of your despatches* regarding proposals in respect of which, for the reasons above mentioned, I shall await the recommendations of the Commission.

4. A separate communication will be addressed to you on the subject of the Malaria Research unit mentioned in Sir Steuart Davis' despatch No. 873 of the 24th of September, 1930,† and in regard to your recommendations for the regrading of the post of Officer Commanding, Police Training School, contained in your despatch No. 1011 of the 14th of November, 1930 ‡

I have, &c.,
PASSFIELD

C. 87089/31 [No. 5].

No. 4.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 5.]

SIR, Downing Street, 30th May, 1931.

I AM directed by Lord Passfield to refer to the letter from this Department of the 8th of January§ transmitting copy of a despatch from the High Commissioner for Palestine forwarding the draft Estimates of Revenue and Expenditure of the Palestine Government for the year 1931.

2. I am to request you to inform the Lords Commissioners of the Treasury that Lord Passfield has had under consideration the question whether it is possible to deal with the draft Estimates in advance of the Report of the O'Donnell Commission. While it is clearly desirable to avoid taking any action which may prejudice the conclusions of that Commission, it would undoubtedly be highly inconvenient, from an administrative point of view, to defer the approval of the Estimates until after the Report has been received and considered. In all the circumstances, it is proposed that the draft Estimates, excluding Heads XIX and XXVII relating to the Trans-Jordan Frontier Force, Head XXV Posts and Telegraphs Extraordinary, and Head XXVI Public Works Extraordinary, should be dealt with forthwith on the basis of provision for existing establishment and normal services only. It is understood that Their Lordships are prepared in principle to concur in the adoption of this course.

3. The draft Estimates have now been examined in this Department, and the accompanying memorandum‖ containing comments on details has been prepared as the result of the examination.

4. I am to enclose the draft of a despatch¶ which it is proposed to send to the Officer Administering the Government of Palestine on the subject of the draft Estimates A copy of the memorandum referred to in the preceding paragraph would form the enclosure to this despatch A despatch on the subject of the change in the financial year, referred to in paragraph 13 of the enclosed draft, is now under preparation, and will be referred to Their Lordships for concurrence in due course.

5. Lord Passfield would be glad to learn at an early date whether Their Lordships concur in the terms of the draft despatch and the accompanying memorandum, or whether they have any comments to offer

I am, &c.,
O. G. R WILLIAMS.

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* C 67413/29 [Nos. 4, 5, and 6] : not printed. C. 77122/30 [No 2] : not printed. C. 77415/30 [No. 1] : not printed. C. 77448/30 [No 1] : not printed. 87222/31 [No. 5] : not printed.
† C. 77222/30 [No 3] : not printed. ‡ C. 77422/30 [No 4] . not printed. § No. 2.
‖ Not printed here. ¶ Printed as No. 6.

C. 87089/31 [No. 7].

No. 5.

TREASURY to COLONIAL OFFICE.

(S. 35956/01/2/31.)

SIR, Treasury Chambers, 23rd June, 1931.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Williams's letter of the 30th May, 1931,* and the accompanying draft despatch and memorandum which it is proposed to send to the Officer Administering the Government of Palestine on the subject of the draft Estimates for the year 1931. My Lords direct me to request you to convey to the Secretary of State the following reply.

2. My Lords agree generally that, excluding Heads XIX and XXV to XXVII, the Expenditure Estimates may be accepted on the basis of maintaining existing establishments and carrying out normally recurrent works services, proposals for new services or for the increase or regrading of staff being deferred, save in exceptional circumstances, pending the receipt and consideration of the Report of the O'Donnell Commission.

3. As, however, My Lords understand that this Report will shortly be available, They doubt whether a detailed revision of the Estimates could usefully be undertaken at the present time. Whilst agreeing therefore that the Officer Administering the Government may be authorized to proceed on the general basis outlined above, They would prefer to reserve for future consideration, in the light of the O'Donnell Report, the particular matters dealt with in the draft memorandum and despatch.

4 I am to request that proposals for expenditure under Heads XXV and XXVI may continue to be made the subject of prior reference to Their Lordships.

5. A separate letter has been addressed to you on the subject of Heads XIX and XXVII (Trans-Jordan Frontier Force)

I am, &c..
R. V. NIND HOPKINS.

C. 87089/31 [No. 8].

No. 6.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by No.* 10.]

(Confidential.)

SIR, Downing Street, 1st July, 1931.

I HAVE the honour to refer to your Confidential despatch of the 27th of December, 1930,† forwarding the draft Estimates of Revenue and Expenditure of the Palestine Government for the year 1931.

2. After consultation with the Lords Commissioners of the Treasury, it has been agreed that, excluding Heads XIX and XXV-XXVII, the Expenditure Estimates may be accepted on the basis of maintaining existing establishments and carrying out normal recurrent works services, proposals for new services or for the increase or regrading of staff being deferred, save in exceptional circumstances, pending the receipt and consideration of the [Report of the] O'Donnell Commission, which is expected shortly.

3. Expenditure on the maintenance of existing establishments and on normal recurrent works services may, therefore, be incurred without prior reference to me, but proposals for new services or for the increase or regrading of staff should continue to be referred to me for consideration before expenditure is incurred.

4. So far as concerns Head XXV, Posts and Telegraphs Extraordinary and Head XXVI, Public Works Extraordinary, it will be necessary that proposals for expenditure should continue to be referred to me for consideration.

5. I am addressing you in a separate despatch in regard to Heads XIX and XXVII relating to the Trans-Jordan Frontier Force.

I have, &c.,
PASSFIELD.

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* No. 4 † No. 1.

C. 87089/31 [No. 13].

No. 7.

THE SECRETARY OF STATE

to

THE OFFICER ADMINISTERING THE GOVERNMENT.

(Sent 1.45 p.m., 12th October, 1931.)

TELEGRAM.

[*Answered by No.* 10.]

No. 222. MY despatch of 1st July, Confidential.* Estimates for current year. I shall be glad if you will furnish as early as possible by despatch revised Estimates for the full year ending 31st December next, giving the totals of revenue and expenditure under the several Heads. Totals only required. Expenditure Estimates should in each case be based on maintenance of existing establishments, &c., see paragraph 2 of above despatch. Regarding Public Works Estimates see my despatch of 31st August, No. 666.†—THOMAS.

C. 87089/31 [No. 14].

No. 8.

THE OFFICER ADMINISTERING THE GOVERNMENT

to

THE SECRETARY OF STATE.

(Received 12th October, 1931.)

(No. 866.)

SIR, High Commissioner's Office, Jerusalem, 2nd October, 1931.

I HAVE the honour to refer to Sir John Chancellor's telegram No. 204 of the 27th August‡ reporting that the estimated surplus balance of this Government as at the 31st December, 1931, was £P.566,160 and to forward to you herewith the following papers in support of that estimate :—

(*a*) Summary showing estimated surplus balance at the 31st December, 1931;

(*b*) Abstract showing the actual expenditure for the years 1929 and 1930 and the estimated expenditure for 1931;

(*c*) Abstract showing the actual revenue for the years 1929 and 1930 and the estimated revenue for 1931.

2. I shall inform you as early as possible of any modification in this estimate which may be necessitated on the receipt of further detailed particulars from Heads of Departments.

I have, &c.,
M. A. YOUNG,
Officer Administering
the Government.

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* No. 6. † C. 87039/3/31 [No 2]: not printed. ‡ C. 87033/3/31 [No. 7]: not printed

Enclosure 1 in No. 8.

SUMMARY SHOWING ESTIMATED SURPLUS AT 31ST DECEMBER, 1931.

	£P.	£P.	£P.
Actual surplus at 31st December, 1930 ...			626,111
Actual revenue from 1st January, 1931, to 30th June, 1931—			
Ordinary	1,011,979		
Grant-in-Aid	152,409		
		1,164,388	
Estimated revenue from 1st July, 1931, to 31st December, 1931—			
Ordinary	1,165,121		
Grant-in-Aid	77,938		
		1,243,059	
		2,407,447	
Actual expenditure from 1st January, 1931, to 30th June, 1931—			
	£P.		
Ordinary	1,036,366		
Extraordinary	55,608		
		1,091,974	
Estimated expenditure from 1st July, 1931, to 31st December, 1931—			
	£P.		
Ordinary	1,170,032		
Extraordinary	145,392		
Railways (excess of expenditure over revenue)	60,000		
		1,375,424	
		2,467,398(*a*)	
Estimated deficit for the year ending 31st December, 1931			59,951
			£P.566,160

Estimated Surplus at 31*st December*, 1931—	£P.
(*a*) Made up as under :—	
Trans-Jordan Frontier Force	194,000
Defence	152,750
Other Heads	2,060,648
Railways (excess of expenditure over revenue)	60,000
	£P.2,467,398

Enclosure 2 in No. 8.

ABSTRACT SHOWING THE ACTUAL EXPENDITURE FOR THE YEARS 1929 AND 1930, AND THE ESTIMATED EXPENDITURE FOR 1931.

	Heads of Expenditure.	*Actual Expenditure, 1929.*	*Actual Expenditure, 1930.*	*Estimated Expenditure, 1931.*	*Revised Estimated Expenditure, 1931*
		£P.	£P.	£P.	£P.
1.	Pensions	17,797	16,829	18,060	17,000
2.	Public Debt and Loan Charges	100,910	112,609	124,348	124,348
3.	His Excellency the High Commissioner	8,739	7,211	7,827	7,500
4.	Secretariat	19,534	21,330	21,608	21,500
5.	District Administration	88,528	89,590	97,845	95,000
6.	Legal Department	8,959	8,578	8,859	8,800
7.	Judicial Department	80,598	82,562	93,028	85,000
8.	Treasury	16,090	15,579	16,264	16,000
9.	Audit Department	8,652	9,034	12,746	12,000
10.	Customs, Excise, and Trade	66,803	71,153	74,839	72,000
11.	Department of Health	101,864	105,481	111,341	108,000
12.	Department of Education	139,789	143,555	153,639	145,000
13.	Department of Agriculture and Forests	76,714	102,518	86,484	86,000
14.	Antiquities Department	7,083	7,239	8,358	7,500
15.	Land Settlement	20,355	21,280	24,893	23,000
16.	Lands Department	18,037	17,369	19,297	18,000
17.	Survey Department	39,245	42,206	49,410	45,000
18.	Police and Prisons	376,060	475,851	515,745	497,000
19.	Trans-Jordan Frontier Force	140,562	209,212	185,452	183,000
20.	Defence	37,070	109,675	38,000	152,750
21.	Posts and Telegraphs	141,206	147,338	162,469	152,000
22.	Public Works Department	40,261	48,662	56,262	50,000
23.	Public Works Recurrent	145,996	164,649	170,600	160,000
24.	Miscellaneous	289,896	268,768	120,178	120,000
	Total Ordinary	£P. 1,990,748	2,298,278	2,177,552	2,206,398
25.	Posts and Telegraphs Extraordinary	25,978	26,096	21,020	15,000
26.	Public Works Extraordinary	114,690	169,671	261,840	175,000
27.	Trans-Jordan Frontier Force Extraordinary	8,616	22,868	21,245	11,000
	Total Extraordinary	£P. 149,284	218,635	304,105	201,000
28.	Railway (excess of Expenditure over Revenue)	—	19,592	49,861	60,000
	Total Expenditure	£P. 2,140,032	£P. 2,536,505	£P. 2,531,518	£P. 2,467,398

Enclosure 3 on No. 8.

ABSTRACT SHOWING THE ACTUAL REVENUE FOR THE YEARS 1929 AND 1930, AND THE ESTIMATED REVENUE FOR 1931.

	Heads of Revenue.	*Actual Revenue, 1929.*	*Actual Revenue, 1930.*	*Estimated Revenue, 1931.*	*Revised Estimated Revenue, 1931.*
		£P.	£P.	£P.	£P.
1.	Customs	917,050	991,688	975,500	910,200
2.	Port and Marine	8,677	9,703	9,200	10,700
3.	Licences, Taxes, &c.	761,823	740,664	805,900	669,650
4.	Fees of Court, &c.	230,844	248,371	242,300	242,550
5.	Posts and Telegraphs	207,288	220,384	223,200	213,200
6.	Revenue from Government Property	16,541	14,613	18,000	14,300
7.	Interest	104,207	87,485	67,000	64,500
8.	Miscellaneous	16,650	28,465	45,000	45,000
	Total	£P. 2,263,080	2,341,373	2,386,100	2,170,100
9.	Land Sales	6,774	6,887	4,000	7,000
10.	Grant-in-Aid	24,523	41,286	143,000	230,347
11.	Railways (excess of Revenue over Expenditure)	29,195	—	—	—
	Total Revenue	£P. 2,323,572	£P. 2,389,546	£P. 2,533,100	£P. 2,407,447

C. 87089/31 [No. 15].

No. 9.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 14.]

SIR, Downing Street, 26th October, 1931.

WITH reference to the letter from this Department of the 11th of August* and to the enclosure to the semi-official letter of the 16th of October† addressed to Mr. Trickett, I am directed by Mr. Secretary Thomas to transmit to you, to be laid before the Lords Commissioners of the Treasury, the accompanying copy of a despatch‡ with enclosures, received from the Acting High Commissioner for Palestine containing revised Estimates of Expenditure and Revenue for 1931, together with a summary showing the estimated surplus balance at 31st December, 1931.

2. In paragraph 292 of their Report the O'Donnell Commission estimated that the balance in hand on the 31st of December, 1931, would be reduced to about £552,000 (the actual amount on their calculations being £551,361), but this figure (*i.e.*, £551,361) requires adjustment as follows in view of the adoption of certain proposals involving a reduction of the revenue estimated by the O'Donnell Commission :—

	£
Urban Property Tax increased from September instead of July (see the letter from this Department of the 4th August)§ ...	17,500
Motor-car Licences (see the semi-official letter to Mr. Proctor of the 5th of October)‖	7,500
Total ...	£25,000

Against this, however, there is an additional amount of £38,688 received by way of Grant-in-Aid, so that with these adjustments the O'Donnell Commission's estimated surplus becomes £565,049.

3. Their Lordships will observe that the Acting High Commissioner hopes to be able to show an estimated surplus of £566,160 on 31st December, 1931, despite the fact that revenue has fallen considerably more than the Commission anticipated. Savings amounting to £107,120, in addition to those recommended by the Commission have been found in order to make up for the short fall in revenue of £106,010.

4. If Their Lordships concur, Mr. Thomas proposes to approve the revised Estimates of Expenditure and Revenue submitted in the Acting High Commissioner's despatch on the understanding that the revised Estimates of Expenditure are based on the maintenance of existing establishments and the carrying out of normal services, and subject to (1) any reductions which may result from the adoption before the end of the year of further economies recommended by the O'Donnell Commission, (2) any reductions which may be made possible in Other Charges votes, as a result of the application to other Departments of the recommendations contained in Part VI of the Dowbiggin Report¶ (see the enclosed copy of the Secretary of State's telegram No. 221** to the Acting High Commissioner). The Acting High Commissioner will also be informed that it is understood that the Revenue Estimates have allowed for an increase in the rates of Urban Property Tax as from the 1st of October. Mr. Thomas also proposes to inform the Acting High Commissioner that in compiling the Estimates for 1932-33 account should, of course, be taken of the recommendations of the O'Donnell Commission for the year 1932

I am, &c.,
O. G. R. WILLIAMS.

* C. 87089/31 [No. 11] : not printed. † C. 87089/31 [No. 13] : not printed. ‡ No. 8.
§ C. 87275/31 [No. 19] : not printed. ‖ C. 87309/31 [No. 11] : not printed. ¶ Middle East No. 36.
** C. 87033/31 [No. 11] : not printed.

C. 87089/31 [No. 17].

No. 10.

THE OFFICER ADMINISTERING THE GOVERNMENT

to

THE SECRETARY OF STATE.

(Received 11th November, 1932.)

[*Answered by Nos.* 11, 15, *and* 16.]

(Confidential " H.")

SIR, Jerusalem, 31st October, 1931.

I HAVE the honour to refer to your telegram No. 222 of the 12th of October,* with regard to the Estimates for the current financial year, and to forward herewith, in accordance with your request, revised Estimates of Revenue and Expenditure for the full year ending the 31st December next, giving the total figures under the several heads.

2. The figures of expenditure are in each case based on the maintenance of existing establishments and the carrying out of the normal recurrent works services only, following the principle laid down in the second paragraph of Lord Passfield's Confidential despatch of the 1st July, 1931.†

It will be observed that the revised estimate of expenditure on Public Works Extraordinary secures a saving considerably in excess of £P.50,000.

3. The estimated expenditure by the Department of Development during the current year is not included in the statements accompanying this despatch. I therefore forward for your information the Estimates for the period from the 7th August to the 31st December, 1931, in respect of that Department which have been submitted by the Director of Development. I shall address you separately with regard to these Estimates in due course.

I have, &c.,
M. A. YOUNG,
Officer Administering the Government.

Enclosure 1 in No. 10.

REVISED ESTIMATED REVENUE FOR THE YEAR ENDING 31ST DECEMBER, 1931.

Heads of Revenue.	*Estimated Revenue* 1931. £P.	*Revised Estimated Revenue* 1931. £P.
1. Customs	975,500	910,000(a)
2. Port and Marine	9,200	10,500
3. Licences, Taxes, &c.	805,900	635,000(b)
4. Fees of Court, &c.	242,300	240,000
5. Posts and Telegraphs	223,200	215,000
6. Revenue from Government Property ...	18,000	13,500
7. Interest	67,000	62,000
8. Miscellaneous	45,000	42,000
Total ...	£P.2,386,100	2,128,000
9. Land Sales	4,000	8,000
10. Grant-in-Aid	143,000	230,000(c)
11. Railways (excess of Revenue over Expenditure)	—	—
Total Revenue ...	£P.2,533,100	2,366,000

(a) £P.991,697 received in 1930.

(b) Due mainly to remission of tithes, reduction of Road Transport Licences, decreased revenue from House and Land Tax, and from fines and forfeitures

(c) *See* explanatory statement attached.

---

* No. 7. † No. 6.

Explanatory Statement.
Revenue Head IX, Grant-in-Aid, 1931.

	£P.	£P.	£P.
Estimated amount payable by His Majesty's Government :—			
Grant in respect of period ending 31st December, 1930 :—			
Amount shown in Treasurer's Annual Report, 1930 (page 19)			89,346
Grant-in-Aid, 1931 :—			
Three-quarters of Revised Estimate, 1931 :—			
Head XIX. Trans-Jordan Frontier Force ...	183,000	137,250	
Whole of :—			
Head XXVII. Trans-Jordan Frontier Force Extraordinary :—			
Works in Trans-Jordan		3,500	140,750
			£P.230,096
			(say) £P.230,000

Payments made by His Majesty's Government :—		
Received by Crown Agents :—		
26th March, 1931	117,159(a)	
30th June, 1931	35,250	
30th September, 1931	35,250	
	187,659	
Amount available on Deposit	8,341	
	196,000	
Balance required to 31st December, 1931 ...	34,000	
	£P.230,000	

(a) Being portion of £P.125,500 actually received, the balance, namely, £P.8,341, in excess of share payable by His Majesty's Government having been placed on deposit.

Enclosure 2 in No. 10.

REVISED ESTIMATED EXPENDITURE FOR THE YEAR ENDING 31ST DECEMBER, 1931.

Heads of Expenditure.	*Estimated Expenditure* 1931. £P.	*Revised Estimated Expenditure* 1931. £P.
1. Pensions	18,060	17,000
2. Public Debt and Loan Charges...	124,348	124,400
3. His Excellency the High Commissioner ...	7,827	8,000
4. Secretariat	21,608	21,500
5. District Administration	97,845	94,000
6. Legal Department	8,859	8,800
7. Judicial Department	93,028	85,000
8. Treasury	16,264	15,800
9. Audit Department	12,746	11,000
10. Customs, Excise and Trade	74,839	72,000
11. Department of Health	111,341	108,000
12. Department of Education	153,639	146,000
13. Department of Agriculture and Forests ...	86,484	86,000
14. Antiquities Department	8,358	7,500
15. Land Settlement	24,893	24,000
Carried forward ...	860,139	829,000

Heads of Expenditure.	*Estimated Expenditure* 1931. £P.	*Revised Estimated Expenditure* 1931. £P.
Brought forward ...	860,139	829,000
16. Lands Department	19,297	18,000
17. Survey Department	49,410	44,000
18. Police and Prisons	515,745	466,000
19. Trans-Jordan Frontier Force	185,452	183,000
20. Defence	38,000	136,000(*a*)
21. Posts and Telegraphs	162,469	152,000
22. Public Works Department	56,262	50,000
23. Public Works Recurrent	170,600	175,000(*b*)
24. Miscellaneous	120,178	127,000(*c*)
Total Ordinary ...	£P.2,177,552	2,180,000
25. Posts and Telegraphs Extraordinary	21,020	14,000
26. Public Works Extraordinary	261,840	110,000
27. Trans-Jordan Frontier Force Extraordinary ...	21,245	11,000
Total Extraordinary ...	£P.304,105	135,000
28. Railways (excess of Expenditure over Revenue)	49,861	72,000(*d*)
Total Expenditure ...	£P.2,531,518	2,387,000

(*a*) *See* explanatory statement attached.
(*b*) Increased expenditure on Rent of Offices and Quarters.
(*c*) Due to supplementary provision for Census.
(*d*) Revised estimated deficit by the General Manager

Explanatory Statements.

Details of Expenditure.	*Printed Estimates*, 1931. £P.	*Supplementary Provision*, 1931. £P.	*Total.* £P.	*Remarks.*
XX. Defence.				
1. Contribution to Imperial Government towards cost of Royal Air Force and Army Units in Palestine	33,500	62,250	95,750	See explanatory statements attached.
2. Difference between public and preferential rates on railways for Royal Air Force and Army Units	4,500	7,600	12,100	Do.
3 Local services rendered to Royal Air Force and Army Units . . .	—	25,000	25,000	Do.
4. Capital works carried out for Royal Air Force and Army Units ...	—	4,000	4,000	
Total ..	£P.38,000	£P.98,850	£P.136,850	
		(Say)	£P.136,000	

XX Defence.

Contribution to His Majesty's Government for Royal Air Force and Army Units.

Royal Air Force

	£P.	£P.
Amount due from 1st April, 1930, to 31st March. 1931, at £P.21,250 per annum (see Secretary of State's despatch No 20 of 8th January, 1931, paragraph 10 (*a*))		21,250
Less amount actually paid from 1st April to 31st December, 1930 (two quarters at £P.33,500 per annum)		16,750
Balance due in 1931 ...		£P.4,500

Army.

	£P.
Brought forward ...	4,500
1st April, 1930, to 31st March, 1931, at £P.50,000 per annum (see Secretary of State's despatch No. 20 of 8th January, 1931, paragraph 10 (*c*))	50,000
Royal Air Force and Army.	
1st April, 1931, to 31st December, 1931, at £P.55,000 per annum (see Secretary of State's despatch of 21st May, 1931)	41,250
Total amount payable in 1931 ...	£P.95,750
Amount provided in Estimates, 1931	33,500
Amount required ...	£P.62,250

Contribution by Government of Palestine towards cost of Royal Air Force and Army Units in Palestine, 1931.

Statement showing Payments made on account of Contribution.

	£P.	£P.
Amount paid under Crown Agents' Voucher (No. 31) of 3rd January, 1931		8,375
Amount paid by deduction from Crown Agents' Receipt Voucher (No. 19) of 23rd March, 1931	50,125	
Less—		
Cost of Capital Works in Palestine (see separate application for Special Warrant)	4,000	
		46,125
Amount paid under Crown Agents' Payment Voucher (No. 430) of 13th July, 1931		13,750
Amount paid under Crown Agents' Payment Voucher (No. 663) of 30th September, 1931		13,750
		£P.82,000
Third instalment of annual payment of £P.55,000 for 1931-32 payable in December, 1931; *vide* paragraph 2 of Colonial Office letter of 9th July, 1931, addressed to the Crown Agents for the Colonies		13,750
		£P.95,750

Difference between public rates and preferential rates on the Palestine Railways for Royal Air Force and Army Units.

	Actual Expenditure 1st *January*, 1931, *to* 31st *July*, 1931. £P.	*Estimated Expenditure* 1st *August*, 1931, *to* 31st *December*, 1931. £P.	*Total.* £P.
Palestine Railways	3,333	2,467	5,800
Sinai (Kantara-Rafa) Railway ...	3,470	2,530	6,000
Hejaz Railway	164	136	300
	6,967	5,133	12,100
		Provision in Estimates	4,500
		Amount now required	£P.7,600

Cost of local services rendered to Royal Air Force and Army Units in Palestine.

	Actual Expenditure 1st January, 1931, to 31st July, 1931.	*Estimated Expenditure 1st August, 1931, to 31st December, 1931.*	*Total.*
	£P.	£P.	£P.
Works and Buildings (including rent, alterations, repairs, &c.)...	6,733	4,867	11,600
Water and Conservancy	1,044	956	2,000
Electric Lighting (including installation)	636	764	1,400
Transport	2,944	2,056	5,000
Railway Services at preferential rates	1,558	2,442	4,000
Posts and Telegraphs Services ...	577	423	1,000
Total ...	£P.13,492	11,508	25,000

Enclosure 3 in No. 10.

DEPARTMENT OF DEVELOPMENT.

DRAFT ESTIMATES.

(From 7th August, 1931, to 31st December, 1931.)

Details of Expenditure.	*Estimates.*	*Remarks.*
A. PERSONAL EMOLUMENTS.	£P. mils.	
1. Director	960.000	Half salary from 7th August, 1931, to 19th August 1931.
2. Deputy Director	320.000	Half salary from 7th August, 1931, to 19th August 1931.
3. Expatriation Allowance ...	57.000	From 1st November, 1931.
4. Jewish Adviser	84.000	From 1st November, 1931.
5. Arab Adviser	84.000	From 1st November, 1931.
6. Assistant Irrigation Officer ...	30.000	From 1st December, 1931.
7. Caretaker	10.000	From 1st November, 1931.
8. Messengers	17.000	1 from 18th September, 1931. 1 from 1st November, 1931.
TOTAL PERSONAL EMOLUMENTS ...	1,562.000	
B. OTHER CHARGES.		
9. Experimental work in connexion with development	250.000	
10. Transport and Travelling ...	100.000	
11. Railway Fares and Freight ...	50.000	
12. Telegrams, Telephones, and Postage	25.000	For telephone installations.
13. Lighting and Heating	25.000	Installations in new offices.
14. Clothing for Messengers ...	10.000	
15. Contingencies	10.000	
16. Typewriters	25.000	
TOTAL OTHER CHARGES ...	495,000	
C. SPECIAL EXPENDITURE.		
17. Furniture and Equipment ...	120.000	
TOTALS A, B, AND C ...	£P.2,177.000	

C. 87089/31 [No. 18].

No. 11

THE SECRETARY OF STATE

to

THE OFFICER ADMINISTERING THE GOVERNMENT.

(Sent 4.15 p.m., 13th November, 1931.)

TELEGRAM.

[*Answered by No.* 12.]

No. 259. YOUR despatch of 31st October, Confidential " H."* Estimated expenditure under Public Works Extraordinary is given as £110,000 whereas it appears from your despatch of 31st October, Confidential " F "† that you propose to spend £148,354 including revotes under this Head during current year. Please explain this discrepancy. Please state also whether it is intended to incur any expenditure under Items 100-106 and 108-112.—CUNLIFFE-LISTER.

C. 87089/31 [No. 19].

No. 12.

THE OFFICER ADMINISTERING THE GOVERNMENT

to

THE SECRETARY OF STATE.

(Received 6.40 p.m., 19th November, 1931.)

TELEGRAM.

No. 278. 19TH NOVEMBER. Your telegram No. 259.‡ Public Works Extraordinary, 1931. Estimate £148,354 was based on earlier figures supplied by Director of Public Works on the assumption that authority for further expenditure might be given by mid-October. He did not include expenditure on Items 100 to 106 and 108 to 112 as these were not referred to in Financial Commission Report. Figure of £110,000 represents estimated expenditure on work already authorized. No authority having been received to proceed with further works £110,000 unlikely to be exceeded.

C. 87089/31 [No. 20].

No. 13

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 14.]

(Important.)

SIR, Downing Street, 24th November, 1931.

WITH reference to the letter from this Department of the 26th October,§ I am directed by Secretary Sir Philip Cunliffe-Lister to transmit to you, to be laid before the Lords Commissioners of the Treasury, the accompanying copy of a despatch,* with enclosure, received from the Acting High Commissioner for Palestine, which contains further revised Estimates of Revenue and Expenditure for the current financial year. A schedule is enclosed setting forth increases and decreases as compared with the revised Estimates enclosed in the letter from this Department under reference. Their Lordships will observe from this schedule that the additional estimated short-fall of £41,447 in Revenue is more than counter-balanced by estimated savings amounting to £80,398 in Expenditure. The estimated surplus balance on the 31st December, 1931, becomes £605,111 as against the O'Donnell Commission's figure (after certain necessary adjustments) of £565,049.

* No. 10. † C. 87089/3/31 [No.4]: not printed. ‡ No. 11. § No. 9.

2. I am to request that these Estimates may be substituted for those transmitted in the letter from this Department under reference, and that Their Lordships may be moved to approve these Estimates at an early date.

I am, &c.,
O. G. R. WILLIAMS.

Enclosure 2 in No. 13.

SCHEDULE SHOWING INCREASES OR DECREASES AS COMPARED WITH REVISED ESTIMATES FORWARDED IN MR. YOUNG'S DESPATCH OF THE 2ND OF OCTOBER.

A. EXPENDITURE.

Heads.	*Increases.*	*Decreases.*
	£	£
Public Debt and Loan Charges	52	—
High Commissioner	500	—
District Administration	—	1,000
Treasury	—	200
Audit Department	—	1,000
Education	1,000	—
Land Settlement	1,000	—
Survey Department	—	1,000
Police and Prisons	—	31,000
Defence	—	16,750
Public Works Recurrent	15,000	—
Miscellaneous	7,000	—
Posts and Telegraphs Extraordinary	—	1,000
Public Works Extraordinary	—	65,000
Railways (excess of Expenditure over Revenue) ...	12,000	—
Totals ...	£36,552	£116,950

Total decrease in expenditure of *£80,398*.

B. REVENUE.

Heads.	*Increases.*	*Decreases.*
	£	£
Customs	—	200
Port and Marine	—	200
Licences, Taxes, &c.	—	34,650
Fees of Court, &c.	—	2,550
Posts and Telegraphs	1,800	—
Revenue from Government Property	—	800
Interest	—	2,500
Miscellaneous	—	3,000
Land Sales	1,000	—
Grant-in-Aid	—	347
Totals ...	£2,800	£44,247

Total decrease in revenue *£41,447*.

C. 87089/31 [No. 21].

No. 14.

TREASURY to COLONIAL OFFICE.

(S. 35956/01/4/31.)

SIR, Treasury Chambers, 5th December, 1931.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Williams's letters of the 26th October* and the 24th November, 1931,† transmitting copies of despatches from the Acting High Commissioner for Palestine, containing revised Estimates of Revenue and Expenditure for the year 1931, which show decreases on the original Estimates for Revenue and Expenditure of about £P.167,000 and £P.145.000 respectively.

In reply I am directed to request you to inform the Secretary of State that My Lords concur in his proposal to approve the revised Estimates as summarized in the enclosures to Mr. Williams's letter of the 24th November, on the understanding that they are based on the maintenance of existing establishments and the carrying out of normal services, and subject to (1) any reductions which may result from the adoption before the end of the year of further economies recommended by the O'Donnell Commission, and (2) any reductions which may be made possible in Other Charges votes as a result of the application to other Departments of the recommendations contained in Part VI of the Dowbiggin Report.

I am, &c.,
F. PHILLIPS.

C. 87089/31 [No. 22].

No. 15.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 11.55 a.m., 8th December, 1931.)

TELEGRAM.

No. 285. I APPROVE revised Estimates as summarized in enclosures to your despatch of 31st October, Confidential " H."‡ Despatch follows.—CUNLIFFE-LISTER.

C. 87089/31 [No. 23].

No. 16.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Confidential.)

SIR, Downing Street, 15th December, 1931.

I HAVE the honour to confirm my telegram No. 285 of the 8th of December,§ in which I approved the revised Estimates of Expenditure and Revenue for the current year, as summarized in the enclosures to Mr. Young's despatch Confidential " H " of the 31st of October.‡

2. These Estimates are approved on the understanding that they are based on the maintenance of existing establishments and the carrying out of normal services, and subject to any reductions which may result from the adoption before the end of the year of further economies recommended by the O'Donnell Commission and any reductions which may be made possible in Other Charges votes as a result of the application to other Departments of the recommendations contained in Part VI of Sir H. Dowbiggin's Report. In this connexion your reference is invited to my predecessor's telegram No. 221.‖

3. I have assumed that the revised Estimates of Revenue allow for an increase in the rates of Urban Property Tax as from the 1st October, in accordance with the decision conveyed in paragraph 4 of Lord Passfield's Confidential despatch of the 31st of July.¶

I have, &c.,
P. CUNLIFFE-LISTER

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* No. 9. † No. 13. ‡ No. 10. § No. 15. ‖ C. 87033/3/31 [No. 11]: not printed.
¶ C. 87275/31 [No. 18]: not printed.

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Palestine Ests. & Finances.—**Gp. 6.** 21961/2950. 30. 8/33. (610).

Printed for the use of the Colonial Office.

31

Middle East.
No. 43.
Confidential.

PALESTINE AND TRANS-JORDAN

REPORT OF THE FINANCIAL COMMISSION

JULY, 1931

Printed for the use of the Colonial Office.

Middle East.
No. 43.
Confidential.

PALESTINE AND TRANS-JORDAN

REPORT OF THE FINANCIAL COMMISSION

JULY, 1931

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Report of the Commission appointed by the Secretary of State for the Colonies to examine and report on the financial and general organization of the Palestine Administration, and the need for the Grant-in-Aid of the Trans-Jordan Administration.

To

THE RIGHT HONOURABLE LORD PASSFIELD,
SECRETARY OF STATE FOR THE COLONIES.

May it please your Lordship,

We were appointed Commissioners for the purpose of examining and reporting on the revenue, expenditure, and general organization of the Palestine Administration with particular reference to—

(*a*) The efficiency and economical staffing of existing departments ;

(*b*) the proposals for new services and new staff made as a result of recent enquiries or otherwise ;

(*c*) the prevention or elimination of any necessity for financial assistance from His Majesty's Government in the United Kingdom towards the cost of civil administration.

We were also instructed to examine, from the point of view of efficiency and economy, the need for the grant-in-aid of the Administration of Trans-Jordan, and to report thereon. It was laid down that our enquiry should not extend to the size and composition of the Forces maintained for the purpose of defence in Palestine and Trans-Jordan.

We now submit to you our report.

We arrived in Palestine towards the end of January and at once commenced our enquiries. During the course of these we visited the principal towns and places of importance, discussed with their heads the duties, staff, and organization of all departments, and examined the work in practically all the offices. We also had interviews with the Arab Executive and the Jewish Agency and with deputations sent by the Jewish Bar Association, the Chamber of Commerce, the Jewish Manufacturers Association, and the Senior Civil Service Association ; and we received written memoranda from the Palestine Arab Liberals, the Junior Civil Service Association, and other bodies or persons.

We left for Trans-Jordan on the 2nd May and spent sixteen days in that country, during which we had interviews with all the heads of the departments, and also made some brief tours of inspection.

We desire to express our deep indebtedness to His Excellency Sir John Chancellor, G.C.M.G., G.C.V.O., D.S.O., for the invaluable assistance which we received throughout our enquiry. Everything possible was done to make our task easier. We had access to all records and all information which we asked for was supplied by the heads of departments. We have also to record our acknowledgment for help rendered to Colonel Cox, the British Resident in Trans-Jordan ; to Mr. Kirkbride, the Assistant Resident, who accompanied us on our tours ; to the heads of departments both in Palestine and Trans-Jordan ; and to Mr. Evans, Junior Assistant Secretary, whose services were placed at our disposal throughout our stay in Palestine.

S. P. O'DONNELL,
Chairman.

H. BRITTAIN.

London,
4th July, 1931.

PART I.

CHAPTER I.—THE GOVERNMENT.

Constitution.

1. The capture of Jerusalem and the subsequent occupation of the rest of Palestine were followed immediately by the institution of a military administration based on a system of district governorships. The main task of this administration, apart from the garrisoning of the country and the preservation of order, was the restoring of the necessaries of life to the population after the privations suffered by them during the war, and the normal activities of civil Government cannot be said to have begun until the military administration was succeeded on the 1st July, 1920, by a civil administration under the first High Commissioner. The terms on which Great Britain was to be entrusted with the Mandate were not, however, settled until 1922, in which year the Palestine Order in Council prescribed the composition and organization of the Government. Under that Order, the Government is administered by the High Commissioner, assisted by an Executive Council which now consists of the Chief Secretary, the Attorney-General, and the Treasurer as *ex officio* members, and such other public officers as the High Commissioner may summon to it as occasion requires. On the formation of the civil administration the High Commissioner had been given authority to promulgate ordinances after consultation with the Advisory Council composed of ten official and ten nominated non-official members. It was the intention of His Majesty's Government, to which it was sought to give effect in the Order in Council of 1922, that this Advisory Council should be superseded by a Legislative Council consisting, in addition to the High Commissioner, of ten official members holding the more important public offices, and of twelve non-official and elected members. In circumstances which we need not here recapitulate it was found necessary to suspend the operation of the Order in Council in so far as it related to the establishment of the Legislative Council, and an amending Order in Council was passed in 1923, which continued the power of the High Commissioner to promulgate necessary ordinances after consultation with the Advisory Council until such time as the Legislative Council should be constituted. The Advisory Council was to be either the Advisory Council as then existing, or such other advisory body as might from time to time be constituted by the High Commissioner with the approval of the Secretary of State. The Advisory Council as at present constituted consists in fact entirely of official members, namely, the heads of the 14 departments of Government.

The High Commissioner's principal administrative officer is the Chief Secretary whose department co-ordinates and controls the activities of the other departments; the Attorney-General is the legal adviser of the Government; while financial and accounting operations are under the general charge of the Treasurer.

Relations to the Public.

2. The Government of Palestine is thus a bureaucracy, appointed by and deriving its authority from the Secretary of State for the Colonies. A Government of this type is not necessarily out of touch with or irresponsive to the views of the public; and no such charge could fairly be brought against the Palestine Government. Palestine has an active Press which is carefully examined by the Secretariat; and it has in the Arab Executive and Jewish Agency organized bodies which can and do place before the Government the views of the principal communities. Nevertheless it is not sufficient that the Government should be aware and take account of public opinion. It is also desirable that it should take every opportunity of associating with itself representatives of the public; that it should give such representatives as large a voice as is possible in the determination of policy; and that it should take the public into its confidence as regards the reasons for its decisions on matters of general interest. A Legislative Council, if and when established, will furnish the most effective machinery for this purpose; but, even in its absence, there are devices, long employed both before and after the reforms by the governments in India, which might with advantage be utilized in Palestine, namely :—

(1) The appointment of non-official members to such bodies as the Standing Committee on Industry and Trade, the Railway Board, and the Roads Board. These are not administrative bodies; their function is to advise the Government, and it seems to us obvious that they should include a non-official element.

(2) The appointment of Committees containing a substantial proportion of leading non-officials for the examination of legislative projects. There are non-officials well qualified to advise on many such projects, and legislation is more likely to be acceptable to the public if leading members thereof have had a hand in its drafting.

(3) The circulation of bills for the purpose of eliciting public opinion. At present draft ordinances are published for a month before being promulgated, and members of the public or associations can, if they so desire, send criticisms or representations to the Government. But they are not expressly invited to do so, and publication not infrequently elicits either no criticism or only a few hasty comments in the newspapers. Circulation may sometimes be impossible because it would involve delay; but we think that usually bills should be sent to the chief

non-official bodies or organizations with a definite request for an expression of their opinion; and also to District Commissioners, who should be instructed to submit their views after consulting leading residents in their districts.

(4) The issue of reviews of departmental reports. At present these reports are published without comment by the Government. They contain an account, sometimes full, as in the case of the Health and Education Departments, sometimes meagre and colourless, as in the case of the Police Department, of the activities of the departments; but it is only indirectly and by comparing one report with another that the public can ascertain the trend of government policy. In India all important departmental reports are published with a review in which the Government comments on the work of the department during the year, indicates the defects which the report discloses, and explains the remedies which it is proposed to adopt.

(5) The issue of *communiqués* containing the decisions or conclusions of the Government, not only in regard to particular incidents but on questions of general interest. It has long been the practice of the governments in India to announce in *communiqués* (technically known as resolutions), new departures or important developments in the spheres of legislation, administration, and policy.

(6) The publication with a full explanatory memorandum of the annual Estimates. We deal below with the delay which has occurred in recent years in the sanctioning of the Estimates. But the form in which, when approved, they are published under the appropriation Ordinances leaves much to be desired. All that the Estimates as published show is the total provision made under each head of expenditure, that is, generally the total cost of each department as a whole. The detailed Estimates of expenditure in the form in which they are submitted to the Colonial Office and with the alterations made by the Secretary of State are never published; nor are any Estimates of revenue. We think it most desirable that the people of Palestine should have an opportunity of acquainting themselves with the details of the revenue and expenditure authorized by the Government. Not only is this a clear obligation to the taxpayers of the country, but we have during our enquiry come across cases where criticism of the administration might have been mitigated or, at any rate, better informed if the critics had had access to the full details of the budget.*

*Thus, one deputation complained to us that most of the Education Department's funds were spent on directing and inspecting staffs; actually, about £15,000 out of £150,000 is so spent. On another occasion we were informed that 400 British officials received salaries and allowances amounting to half-a-million sterling; actually, there are about 260 such officials receiving a little over £200,000 in salaries and allowances.

Control by His Majesty's Government.

3. The Government of Palestine is subject to the superintendence and control of His Majesty's Government. In this respect its position is the same as that of the Governments in other mandated territories, or in parts of the Empire where self-governing institutions have not been established. The powers delegated to such Governments may be wider or narrower, but in all cases the Home Government must retain such a measure of control as may be necessary for the due discharge of their own responsibilities. Save in regard to finance, we have no comments to make on the extent and character of the control now exercised over the Palestine Government. At present the draft Estimates when settled in Palestine are forwarded to London for the approval of the Secretary of State and the Lords Commissioners of His Majesty's Treasury. We do not think that the need for such approval can be seriously questioned. Apart from the general principle above mentioned, His Majesty's Government not only guaranteed the loan which was raised by the Palestine Government in 1927, but has also undertaken to guarantee a second loan which will be devoted to the development of Palestine. Further, His Majesty's Government has recently undertaken, by means of an increased grant-in-aid, to relieve the Palestine Government of a much larger share of the cost of the Trans-Jordan Frontier Force, and it has also refrained in recent years from demanding the whole of the agreed liability of Palestine in respect of the excess cost of maintaining British troops in Palestine instead of at their normal stations. On the other hand, it is clearly desirable that control should be exercised in such a manner as will not embarrass the Palestine Government. In recent years the delay in sanctioning the Estimates, whatever may have been the reasons for it, has seriously dislocated the financial arrangements of that Government. In the table below we give the dates of the various stages in the preparation and approval of the annual Estimates in recent years (in each case the financial year corresponds with the calendar year).

Estimates for	1928.	1929.	1930.	1931.
Chief Secretary's circular was issued on .. .. .. calling for Estimates from departments by	20th Oct., 1927. 31st Oct., 1927.	9th Aug., 1928. 20th Aug., 1928.	13th June, 1929. 15th Aug., 1929.	2nd Sept., 1930. 15th Sept., 1930.
Draft Estimates were forwarded to Secretary of State on .. .. and approved by Secretary of State by despatch or telegram on	28th Dec., 1927. 21st May, 1928.	18th Oct., 1928. 25th Dec., 1928.	5th Oct., 1929. 28th Nov., 1930.	27th Dec., 1930. Not yet approved.
The Chief Secretary informed departments of the Estimates (as approved) on ..	26th June, 1928.	29th Jan., 1929.	29th Dec., 1930.	—

It will, we think, be admitted that such delay as occurred in 1928 and 1930 cannot fail to embarrass the Palestine Government and its departments. For a large part of the year they are working on no current Estimates, and the latter, when finally approved, cease in many of their details to bear any relation to the real need of the departments. This is particularly the case, for example, with the large Estimates for extraordinary works which cannot be started until the budget has been approved. The Estimates thus lose most of the authority that they should possess, and become in many respects little more than interesting records of the fruitless discussion of many months previously. The total expenditure of the Government, moreover, loses any close relation to the revenue which has been raised to meet it. In such circumstances, it is difficult for the Government to maintain due control over financial policy or to bring home to the departments the necessity for accurate and economical estimating of their requirements.

4. We think it essential that an effort should be made by all concerned to secure that the Estimates are finally approved in time to allow them to be actually operative (in accordance with Colonial Regulation 210) at the beginning of the financial year. If necessary, final approval from London can be given subject to reservations on specified items. But such reservations are undesirable if the Estimates are to be printed for publication, as we think they should be, at the beginning of the year; and they could be reduced to a minimum if it were laid down that proposals involving increased expenditure (for example on new services or on additional staff) should not be inserted in the draft Estimates unless they had previously been approved in principle by the Secretary of State. Such approval could be sought at any time, but would, if given, be subject to the necessary funds being available when the time came to make provision for them in the annual Estimates. By this means it should be possible to avoid much of the delay that occurs when the Secretary of State has to consider for the first time a series of proposals for new expenditure embodied in the annual budget.

5. We suggest that a definite time table should govern the preparation and submission of the Estimates, and that if such a time table involves giving the Estimates priority over other urgent work either in Palestine or in London, it will be justified by the clear need for avoiding the serious difficulties under which the Palestine Government has had to work during recent years. We shall recommend later that the financial year of the Palestine Government should be changed from the calendar year to the year beginning on the 1st April, and accordingly submit a time table on the alternative bases that the calendar year begins (*a*) on the 1st January, or (*b*) on the 1st April. We suggest that in order to give the departments ample time for preparing their Estimates, it should be a standing order of the Palestine Government that departments should submit their Estimates to the Secretariat by (*a*) the 1st September, or (*b*)

the 1st December. After examination by the Palestine Government the Estimates should be despatched so as to reach the Colonial Office by (*a*) the 1st November, or (*b*) the 1st February, and the British Treasury's decisions should be taken in sufficient time to allow the Secretary of State to inform the Palestine Government by post of final approval with or without reservations before (*a*) the 31st December, or (*b*) the 31st March.

If and when a Legislative Council is established in Palestine, such a time table, which will then be still more necessary, will have to be reconsidered in the light of the Council's order of business. Provision will have to be made, for instance, for the approval of the Estimates by the Secretary of State and the British Treasury before they are submitted to the Council.

Internal financial control.

6. The financial control exercised by the Secretary of State and the Treasury, valuable and indeed indispensable as it doubtless is, cannot take the place of a sound system of internal control by the Palestine Government itself; for it is that Government which is primarily responsible for the preparation of Estimates of revenue and expenditure, for the day to day supervision of expenditure which has been duly authorized, and for the collection of the revenue.

In Britain such control is exercised by the British Treasury. Most departments have also their own internal arrangements by which administrative officers make the necessary financial examination of proposals for new services involving expenditure before they are submitted to the Treasury; they also have similar arrangements for securing regularity in accounting matters in the case both of expenditure and of revenue. But, unless the Cabinet otherwise decides, no proposals for incurring increased expenditure can be submitted to Parliament (where the specific authority of Parliament is necessary) without the prior sanction of the Treasury; they are, in fact, submitted by the Financial Secretary to the Treasury. Similarly, any variation in or departure from the accepted canons of public accounting requires the sanction of the Treasury. In India, to take another example, all proposals for new or increased expenditure must be submitted to the Finance Department; it is that department which prepares the annual Estimates of revenue and expenditure, and supplementary Estimates of expenditure not provided for in the budget; and its views cannot be overridden save by an express order of the Government. In both these countries, therefore, the financial control of the departments is reserved, subject to the ultimate authority of the Government itself, to a department of which the primary duties are financial criticism and the conduct of financial operations. As a result of the accumulated experience of many years, and of intimate and continuous acquaintance with

both the major and minor problems of public finance, the officers of that department are expected to bring a specialized technique to bear on the financial proposals of the spending departments, and to devote to them the time and close attention which financial criticism rightly demands.

7. The general organization of the Palestine Administration obviously differs in important respects from that of the British Government. With its districts and special departments subject to the control of a Secretariat, it is more akin to that of an Indian province, but even here the analogy is not complete since, in the Indian system, there is no single officer charged with the co-ordinating and controlling functions of the Chief Secretary of the normal Colonial Administration on which that of Palestine is modelled. Under Colonial Regulations, it is the Chief Secretary who presents the annual Estimates to the High Commissioner and who is, therefore, the officer with whom lies the final recommendation whether or not any particular item of expenditure should be incurred. The Treasury under this system, though it prepares the Estimates of revenue and is frequently consulted by the Secretariat, is primarily an accounting department and concerned mainly with the administration of financial regulations.

8. The problems facing the Palestine Administration are in many ways unique among countries where the Colonial system of Government is in force. On the political side, both the internal situation and the external relations of the country call for closer and more continuous attention than in any other mandated territory or colony; while the economic and social conditions encourage demands for the more active intervention of the Government which necessarily entails increased expenditure. Under any other system of Government, we should have expected that the due appreciation of each of these factors would have been facilitated if the financial control had been vested elsewhere than in the Chief Secretary's Department. As we shall argue later, a Secretary should not be content merely to criticize proposals emanating from the head of a department; an essential part of his work is to advise the Government regarding the policy and organization of the departments with which he is concerned; and if he takes this duty seriously he may be tempted to give prior importance to political and administrative considerations. In any case, since his time is necessarily occupied to a large extent with these aspects of their work, there is at least a danger that he will not form the habit of bringing to bear on the departments a continuous and dispassionate financial criticism. Unless, however, the organization of the Government is to be radically altered—and we do not think that there are sufficient grounds for recommending that this be done—the Chief Secretary must continue to be the chief financial as well as administrative adviser of the High Commissioner. Financial control cannot with advantage be transferred to the Treasury which is, as we have said, primarily an accounting department.

But we are not satisfied that the control at present exercised by the Chief Secretary's Department is as close and effective as is desirable. The Chief Secretary cannot himself spare the time for a complete examination of the details and implications of financial proposals ; he must delegate much of the preparatory work and, in some cases, even leave the decisions to his Assistant Secretaries ; and we do not think that these officers have hitherto devoted sufficient attention to this part of their work.* It has been the practice for Assistant Secretaries, just because none of them has any special qualifications for the task of financial criticism, to consult the Treasurer about financial proposals. We see no objection to this practice ; indeed, the Treasurer will usually be able to offer useful advice ; but it ought not, as it appears to some extent to have done, to obscure or weaken the responsibility of the Secretariat. Secondly, the procedure as regards the annual Estimates of expenditure is in one important respect defective. For some years prior to 1931 the Chief Secretary took little part in their preparation ; they were left in the main to the Treasurer though he was not formally responsible for them. This practice has been abandoned since the advent of the present Chief Secretary ; and, subject to the orders of the High Commissioner, the Estimates of expenditure are now settled by the Chief Secretary in consultation with the Treasurer and the heads of departments. The new procedure is an improvement on the old in so far as it places real as well as formal responsibility on the Chief Secretary. But the Estimates are based too exclusively on the revenue expected to be available during the coming year. The Chief Secretary has not before him, when considering them, a statement showing the expenditure in subsequent years to which the Government is committed by past decisions, and any decreases in revenue that are likely to occur in those years. It is not the recognized duty of either the Secretariat or the Treasurer to prepare such a statement. For reasons that will be clear from later chapters we think that had such a statement been prepared in connexion with the Estimates for 1931, the total expenditure proposed would have been substantially lower.

We think that when all the Estimates have been received from the departments and before the Chief Secretary finally considers them, he should receive from the Treasurer a memorandum containing his observations not only on the revenue likely to be available to meet the expenditure proposed, but also on the future prospects of the revenue in so far as they can be foreseen, and on the growth of expenditure in succeeding years which the known commitments of the Government will involve. Only then will the Chief Secretary be in a position to make his recommendations and the High Commissioner his decisions with a due appreciation of the financial position of the country.

*For this the pressure of other work is partly responsible ; *see* paragraph 13.

Special Warrants.

9. When the Estimates have been approved by the Secretary of State, a general warrant is issued to each department authorizing the expenditure included in the Estimates. Special warrants are issued to authorize :—

(*a*) Urgent new services included in the original Estimates but not yet approved ;

(*b*) new services which have not been included in the original Estimates but which it is not desired to postpone until the following year ; and

(*c*) excesses on all expenditure on an existing service over that provided under any subheads in the Estimates.

The first class of special warrants will not be required if, as we have urged, the Estimates are approved by the beginning of the financial year. Special warrants of the second class cannot always be avoided, but are the result in many cases of a failure to make a complete review of departmental requirements before the Estimates are sent to the Colonial Office. A significant case is that of the Estimate for Public Works Extraordinary, 1929. In that year, approval of the Estimates was notified to departments in January, but, nevertheless, no fewer than 40 special warrants involving an expenditure of £33,000 were issued during 1929 under that head. The third class of special warrants could be materially reduced by giving the Palestine Government power (similar to the power of " virement " exercised by the Imperial Treasury) to sanction the transfer of savings on one sub-head of an Estimate to meet excesses on other sub-heads of the same Estimate provided that the excesses arose on services already provided for in the approved Estimates.

CHAPTER 2.—THE SECRETARIAT.

Functions.

10. As already mentioned, the Chief Secretary is the principal adviser of the High Commissioner on administrative and political matters. All letters from the departments and the districts to the Government are addressed to the Secretariat of which he is the head ; so also are representations from non-official bodies or persons ; and the orders of the High Commissioner are issued to the Chief Secretary, who communicates them in appropriate form. It is the duty of the Chief Secretary when submitting any matter to the High Commissioner to ensure that every relevant consideration is brought to his notice, and that all necessary advice legal or technical has been obtained. Though in principle every decision is that of the

High Commissioner, in practice only the more important questions are so submitted; minor matters are dealt with by the Chief Secretary and his senior assistants. As the High Commissioner is also High Commissioner for Trans-Jordan, the Palestine Secretariat also deals with all references to him from the Trans-Jordan Government.

Staff.

11. The staff of the Chief Secretary's Office consists of an Assistant Chief Secretary, five Assistant Secretaries, three junior Assistant Secretaries, and thirty-six clerks. The matters with which the Administration is concerned are classified by subjects, which form the basis of the filing system; and each Assistant Secretary is responsible to the Chief Secretary for a group of subjects. The more important and difficult questions are submitted by Assistant Secretaries with a note explaining the facts and indicating their own views, either to the Chief Secretary or to the Assistant Chief Secretary. The junior Assistant Secretaries submit cases, which they are not competent to decide, to the Assistant Chief Secretary or to one of the senior Assistant Secretaries.

District Experience.

12. Apart from the Chief Secretary, who as at present may be an officer transferred to Palestine from a Colony, the officers in the Secretariat are in theory interchangeable with those of the District Administration. Two of the Assistant Secretaries, however, and one junior Assistant Secretary have never served in a district, one junior Assistant Secretary has so served for only a few months, and another for only a few weeks. It is clearly desirable, as the Government recognizes, that all Assistant Secretaries should have had district experience. Without such experience a Secretariat tends to become a caste, out of touch with the realities of the Administration, and out of sympathy with the officers in the districts whose difficulties it is unable to appreciate.* The large proportion of officers in the Secretariat who have not served in districts is the result in the main of historical circumstances, but we think that an effort should now be made to remedy this defect. An Area Officer has recently been transferred to the Secretariat to fill a vacancy due to the appointment of the Assistant Chief Secretary as Census Officer. We suggest that when the Assistant Chief

*" It is an accepted principle that efficient Secretariat advice, both in the provinces and at Delhi, depends upon a constant interchange of personnel between the districts and the Secretariat. Experience gained with the Central Government and at the provincial Secretariat is, in the system of Indian administration, as much an asset to the provinces or districts as recent and intimate knowledge of the districts and provinces is invaluable in the local and central Secretariats—circulation between them makes for the vigour of the whole." Report of the Indian Statutory Commission, Vol. I (Cmd. 3568) paragraph 315.

Secretary returns, this officer should be retained in the Secretariat (if his work has been found satisfactory) and that one of the junior Assistant Secretaries should be sent to a district. In this way and by taking advantage of leave vacancies it should be possible in time to give every Assistant Secretary some experience of district administration. Further, an officer on first appointment to the Administrative Service should not be posted to the Secretariat, but to a district, and should not be appointed to be a junior Assistant Secretary (if he ever is so appointed) until he has served there for at least two or three years.*

Strength of staff.

13. For a country of the size of Palestine, the Secretariat appears at first sight to be overstaffed. Of the Assistant Secretaries however, one is Private Secretary to the High Commissioner and his duties as such occupy most of his time; and another is employed very largely as Arab adviser to the Government. Moreover, the conditions in Palestine are very exceptional, and not comparable to those of any of the colonies. The country has been under British rule for little more than a decade; the Administration was confronted from the outset and is still grappling with novel and troublesome problems; and the internal political situation is a source of constant anxiety. All the Secretaries work very long hours; and yet the mass of details with which they have to deal is such that they have very little time for independent thinking, and in consequence are not always able to see the wood for the trees. It is the business of a Secretary to advise the Government regarding the organization and policy of the departments with which he deals. He ought not to leave it to the head of a department to make proposals, and be content merely to criticize his views. He should study the working of the department as a whole, bring to the notice of the Government its defects and shortcomings, and suggest the remedies that appear to him to be appropriate. The annual reviews of departmental reports which we have already recommended will encourage Secretaries to take a wider view of their functions.

14. This change however will increase and not decrease the volume of their work; and unless therefore work can be reduced in other directions, it may be necessary to add to the number of Assistant Secretaries. We think that some reductions can be made—

*The fact that there is no authorized post in the district to which he can be appointed need not occasion any difficulty. A newly-joined officer sent to a district will simply be supernumerary to the establishment. He will spend much of his time in learning the language (or languages) and in accompanying the District Commissioner or Assistant District Commissioner when they are on tour, but he can also be given work in their offices, and after, say, a year, magisterial powers.

(*a*) by a better use of the clerical staff. At present, except to some extent in the establishment section, the clerks submit the files, without a note of any kind, to the Assistant Secretaries. A Secretariat clerk should be able to prepare a note, summarizing, so far as may be necessary, the previous history of the case, and citing any rules or precedents that may be applicable. In an Indian Secretariat such routine work is always done by clerks ; and there is no reason why it should not be done by clerks in the Palestine Secretariat. At present these clerks are timid and inexperienced, and doubtless at first their notes will be of little value, but in time, and if encouraged and guided, they should be able to take over an appreciable portion of the work that is now done by junior Assistant Secretaries ;

(*b*) if heads of departments confer together more freely than they do now, on matters affecting more than one department. There is a tendency to refer at once to the Secretariat questions that might be settled, or at any rate brought nearer to a decision, by a personal discussion between the Directors of the departments concerned ;

(*c*) by decentralization. The following are some instances of unnecessary centralization that have come to our notice :—

(1) The appointment of certain junior officers, e.g., teachers and technical officers, are made by the Chief Secretary. Heads of departments should be allowed to appoint to such posts.

(2) All increments require a warrant from the Chief Secretary, who invariably accepts the recommendation of the head of the department. Authority to sanction increments should be delegated to the latter.

(3) The disciplinary power of the head of a department is limited to the imposition of a fine of one day's pay. Fines are not a suitable form of punishment except in the case of menials. Heads of departments should be authorized to withhold an increment (in the case of junior service officers) for a year, and no appeal should be allowed from their decision.

(4) Heads of departments should be authorized to sanction leave of all kinds to junior service officers, and to give casual leave to all officers under them ; and should not be required to send leave returns for the junior service to the Secretariat, or to notify to it the transfers of officers belonging to it.

(5) Appointments of Boards of Survey are made by the Secretariat. In many cases these Boards seem to serve no useful purpose. It cannot be necessary to appoint a Board of Survey to confirm the report of a Veterinary Officer as to the cause of death of a mule. Again, surprise visits by a

responsible officer are a better means of checking stores and cash than a visit by a Board on or about a fixed date. If certificates of the amount of cash or stores in a sub-treasury or office are required at fixed intervals, they need not be furnished by Boards ; a certificate from, e.g., an Assistant District Commissioner should be sufficient. In any case it is not necessary that a Board should be formally appointed by the Secretariat. If its composition is prescribed, it can be left to the District Commissioner to convene the members.

(6) A wider discretion in the matter of local purchases should be granted to heads of departments ; the sanction of the Secretariat ought not to be necessary for the purchase of a dictionary or a stop-watch out of provision for incidental expenditure included in the Estimates.

(7) Indents on the Crown Agents for articles provided for in the Estimates are sent to the Treasury but have, for no reason that is apparent, to pass through the Secretariat.

(8) An official travelling abroad on duty has to pay for his passport. Before he can recover the payment, his department has to obtain the sanction of the Secretariat to apply to the Immigration Office for a refund.

Correspondence would also be reduced if there were rules prescribing the official channels through which petitions should be forwarded to the Government ; petitions would then reach the Government accompanied by a report from the head of the department or the District Commissioner and orders thereon could usually be passed at once. Petitions not so submitted should either be returned to the petitioner with a reference to the rules or, when it was clear that the matter was within his competence, sent to the head of the department or the District Commissioner for disposal.

It was impossible for us, in the time available, to make a thorough examination of the references to the Secretariat, which the present orders require. But the examples above mentioned, though some are doubtless of very minor importance, tend to confirm the impression, which is general in the departments and the districts, that such references might with advantage be substantially reduced ; and we suggest that the Government should appoint, for the purpose of examining this matter, a small decentralization committee, consisting, say, of a senior Assistant Secretary, a District Commissioner, and a head of a department. Amongst the matters which such a committee might examine is the question whether all references to the Attorney-General on points of law should be made through the Secretariat. There are arguments for and against the present practice.

15. We think that a better use of the clerical staff and decentralization should eventually make it possible to reduce the number of junior Assistant Secretaries from three to one. It is desirable to retain one post if only as a means of giving a training in Secretariat work to young officers of the District Administration. But we are not certain that another post of Assistant Secretary is not required. It is essential that the senior Assistant Secretaries should have time to study the working of the departments under the wider aspects to which we have referred above, and at present they certainly have not. The answer to this question will depend on the extent to which it is found practicable to decentralize, and a decision should therefore await the report of the committee whose appointment we have recommended.

Stationery.

16. The expenditure on stationery and printing is controlled by the Secretariat. The fact, however, that the same figure of £15,000 has appeared in each annual Estimate from 1928 onwards suggests that the control is not very close, and that a purely arbitrary sum has been inserted without very close study of actual requirements.

We suggest that

(1) the officer responsible should inspect departmental stocks of stationery and investigate the needs of the departments on the spot ;

(2) that a thorough examination should be made of departmental forms with a view to amalgamation and reduction where possible ; we have been informed, for example, that no fewer than fifty-four different forms are in use under the Road Transport Regulations alone ; and

(3) that luxury forms of stationery for every day use, such as headed departmental minute paper and printed flags, should be abolished.

CHAPTER 3.—DISTRICT ADMINISTRATION.

History.

17. District Administration has undergone many changes since 1920 when the military occupation ceased and civil Government was established.

From July, 1920, to June, 1922, the country was divided into seven districts each under a District Governor assisted by British and Palestinian District Officers ; the latter were in charge of areas

that in general corresponded with those administered under the Turkish rule by Qaimakams. In July, 1922, these seven districts were reduced to four, namely :

(1) The Jerusalem-Jaffa district with headquarters at Jerusalem ;

(2) the Beersheba-Gaza-Hebron district ;

(3) the northern district with headquarters at Haifa ;

(4) the Samaria district.

Each of these districts was administered by a Governor aided by an Assistant Governor and District Officers, some of whom were British. In 1924 the Samaria district was absorbed by the northern district. In 1925 the Jerusalem-Jaffa and the southern districts were amalgamated ; but in 1926 Jerusalem was made a separate division under a Deputy District Commissioner. In 1927 British officers ceased to be in charge of sub-districts and the sub-districts have since then been administered by Palestinian officers but have been grouped into areas over each of which a British officer exercises supervision.

The three districts into which the country is now divided are :—

(*a*) The northern district comprising four areas, namely (1) the sub-districts of Haifa and Acre ; (2) the sub-districts of Nablus, Jenin, and Tulkarem ; (3) the sub-districts of Nazareth, Tiberias, and Beisan ; and (4) the Safad sub-district.

(*b*) The southern district comprising two areas, namely (1) the Eastern Area which includes the Gaza, Beersheba, Auja-Hafir, and Hebron sub-districts ; (2) the Western Area which includes the Jaffa and Ramleh sub-districts.

(*c*) The Jerusalem division comprising the sub-districts of Jerusalem, Bethlehem, and Ramallah.

The northern and southern districts are each under a District Commissioner who is assisted by an Assistant District Commissioner. The Jerusalem division is under a Deputy Commissioner whose functions differ in no way from those of a District Commissioner.

18. *Powers and duties of* (*a*) *District Commissioners and Deputy District Commissioners.*—The powers and duties of the District Commissioner, except so far as expressly conferred or imposed by an ordinance, have never been defined. However,

(1) He is responsible for law and order. As we shall have occasion to point out, his responsibility in this respect is not as complete and far-reaching as it should be. Still, under the Prevention of Crime Ordinance, he has power to take security for keeping the peace, or to be of good behaviour, and to impose restrictions on persons who disseminate seditious matter or are by habit thieves or robbers. Under the

Collective Crimes Ordinance, he can impose fines on the inhabitants in an area, and under the Police Ordinance he can appoint village " ghaffirs " in any village for the protection of crops or security of persons. He licenses public processions and can confer special powers on the police for the dispersal of assemblies.

(2) He collects the revenue, in particular the tithe, werko, animal tax, Urban Property tax, and numerous licence fees.

(3) He exercises a real though somewhat ill-defined supervision over Municipalities and Local Councils.

(4) In general he is the representative of Government in the district. As such, he is the channel through which petitions to Government should be addressed, though in practice they are frequently sent direct to the Secretariat, and the officer to whom Government refers for report or consults on matters not falling within the jurisdiction of the technical departments.

(*b*) *Assistant District Commissioners.*—Under the Interpretation Ordinance, the term " District Commissioner " includes the Assistant District Commissioner and the latter has therefore the same statutory powers. In practice the Assistant District Commissioners are usually at the headquarters of the districts where they dispose of such administration work as is made over to them by the District Commissioners.

(*c*) *Area Officers.*—The term " Area Officer " does not occur in any legislative enactment and Area Officers have no statutory powers save those which have been conferred on them personally. When the post was created it was intended that they should be inspecting and supervising officers over groups of districts, and this has continued to be their main duty ; in all the three districts the Area Officers are expected to spend a great deal of their time in tours of inspection. But their relations with the District Officers have never been precisely and authoritatively defined. In the southern district the District Officers consult the Area Officers on all matters other than routine. In the Western Area of this district all correspondence from or to the District Commissioner passes through the Area Officer ; in the Eastern Area only communications dealing with matters of policy. The Western Area Officer is constantly at headquarters where he prepares minutes and drafts for the District Commissioner, and the District Commissioner proposes to make a similar use of the Eastern Area Officer. In the northern district the instructions originally issued were that District Officers should be encouraged to take responsibility and that only correspondence on matters involving questions of policy or political considerations should be seen by the Area Officer, and these instructions are supposed still to be in force. In practice, however, though District Officers normally communicate directly with the District Commissioner, they refer to Area Officers all cases other than those of a

purely routine nature. This appears to be the procedure, too, in the Jerusalem district. Area Officers hold magisterial warrants and occasionally try offences under the Penal Code or contraventions of ordinances. Powers under the Prevention of Crimes Ordinance have also been conferred on some of them. At Haifa and at Jaffa much of the time of the Area Officer is taken up with Municipal and Local Council affairs in which he acts as representative of the District Commissioner.

In the Jerusalem division the Area Officer when at headquarters disposes of particular cases made over to him by the Deputy District Commissioner.

(*d*) *District Officers.*—The District Officer is still, at least in rural areas, known by the old Turkish designation of Qaimakam, but his powers are probably a good deal more restricted. His principal function at present is the collection of the tithe, werko, and animal tax, which is effected through the Mukhtar (or Headman) of the village, or the tax-collectors attached to the District Office. He is also a sub-accountant and keeps cash books and other registers for all monies collected or received and submits accounts and returns to the Treasury. In the rural areas he is required to be on tour during part of the month, to assist the Health Officers in regard to village sanitation, and to compose, so far as he can, the feuds which are such a fertile source of affrays or even murders. He holds a magisterial warrant and tries contraventions of ordinances. The budgets of the smaller Municipalities are submitted through him to the District Commissioner, and through his personal influence with the Mayor and Councillors he exercises a useful supervision over their affairs.

Number and Area of Districts.

19. We have been much impressed by the anomalous and unsatisfactory position of Area Officers, and we have considered whether a remedy could be found for this in the creation of a larger number of districts. We do not think, however, that this would be a good solution. It would certainly involve increased expenditure and we feel that it would weaken the position and prestige of the District Administration which we are anxious to see strengthened. We recommend, therefore, that the present three districts with headquarters respectively at Jerusalem, Jaffa, and Haifa, be retained, but we think that the Hebron sub-district should be added to the Jerusalem district. Hebron is part of the hill area in which Jerusalem is situated and it has direct and easy communication with that town. From Jaffa it can be reached only by a long and circuitous route. If this recommendation is accepted the Deputy District Commissioner should become a District Commissioner, since there will no longer be any adequate reason for according to this district a lower status. The only other territorial change which we advise is that

the Jewish colonies in the north of the Gaza sub-district should be brought within the Ramleh sub-district. A proposal to this effect is already under the consideration of the Government.

The District Commissioner.

20. We discuss in a later section the relations of the officers of the District Administration with the police—in our opinion they need radical revision—and with municipalities. These departments apart, we do not recommend any formal extension of the powers of District Commissioners. In a country as advanced as Palestine it is not possible or desirable that the District Commissioner should attempt to control the work of the special departments. But it does not follow that he has no concern with it. In an Indian district there are as in Palestine "specialized departments with staffs of their own, but in varying degrees the District Officer influences the policy, and he is always there in the background to lend his support or if need be to mediate between a specialized service and the people."* In Palestine, however, there appears to be a tendency on both sides to regard the activities of the special departments as entirely outside the purview of the District Commissioner. In our opinion it is a mistake so to regard them. There are clearly directions in which the District Commissioner can help the departments; examples are sanitation, afforestation by private owners, and the provision of school buildings and demonstration plots. But the District Commissioner is also, or should be, concerned with the operations of the departments under another aspect, namely, the way in which they affect or are regarded by the people. In all countries the special and technical departments are liable in their zeal for efficiency to overlook the point of view of the public with whom they deal. Moreover, in countries such as Palestine there is always a danger that hardships may be inflicted through the overzeal, lack of discretion, and unscrupulousness of the subordinates through whom the departments have to work. We shall mention in later paragraphs some cases in which we think that this may be happening. Occasions may therefore arise on which it is desirable that the District Commissioner should, in the words of the report just quoted, mediate between a department and the people. The manner of his intervention will vary according to the circumstances, and will call for the exercise of tact and judgment. A personal discussion with the representative of the department may suffice but, if need be, the District Commissioner should not hesitate to lay his views before the Government.

At present District Commissioners send a monthly report on the political situation to the Chief Secretary. We recommend that this

*Report on Indian constitutional reform (Montague-Chelmsford report), paragraph 123 (quoted in paragraph 316 of the report of the Indian Statutory Commission. Cmd. 3568).

should be replaced by a fortnightly demi-official letter which should not be confined to political events but should deal with all matters or events likely to be of interest to the Government. There is probably much information which may not reach the Government promptly if it has to be conveyed in an official letter or report. The demi-official form will encourage a closer and more intimate contact between the District Commissioners and the Secretariat.

Area Officers.

21. We have referred above to the anomalous position of the Area Officer. This has long been recognized and is resented by the Area Officers themselves, who feel acutely that they are not "pulling their weight." There is here a real difficulty, but it is not peculiar to district administration. In all departments officers who stand midway between the head of the department and the officers in direct executive charge are liable to become post offices or office assistants or merely reporting agencies. And the only remedy is to delegate to them and insist on their exercising as large a measure of responsibility as it is practicable to devolve on them. We propose accordingly that the post of Area Officer be abolished. It is not possible at present to dispense with officers intermediate between the District Commissioner and the District Officers, but all such officers should be Assistant District Commissioners. Each Assistant District Commissioner should be in charge of a group of sub-districts and subject to the control and supervision of the District Commissioner; he should exercise in this area the powers of the District Commissioner under the Prevention of Crimes Ordinance, the Police Ordinance, the Collective Punishments Ordinance, and the Collection of Taxes Ordinance; and should be empowered to issue instructions or orders to District Officers on all matters not involving a question of policy or of such importance as to necessitate a reference to headquarters. All communications from and to District Officers, except those of a routine nature, should pass through him. Whilst he will, no doubt, have to visit headquarters from time to time, on no account should he be employed, as one Area Officer now seems to be, as a personal assistant to the District Commissioner.

22. We have considered carefully how many officers of this class are required. In Jerusalem where at present there is only one British assistant to the Deputy District Commissioner, one Assistant District Commissioner will clearly suffice. He should be in charge of the Ramallah, Bethlehem, Jerusalem–Jericho (rural), and Hebron sub-districts and should reside in Hebron. In the northern district we recommend that there should be two Assistant District Commissioners, stationed respectively at Nablus and Nazareth, one to be in charge of the Nablus, Jenin, and Tulkarem sub-districts and the other of the Nazareth, Tiberias, Beisan, and Safad sub-districts. The Haifa–Acre sub-districts can be directly administered by the District Commissioner. We are satisfied that the volume of work

which should be reduced by the delegation of wider powers to the Assistant District Commissioners does not justify the retention of any British assistants at Haifa. Judged by the standard obtaining elsewhere in territories under British rule, the northern district will not be a heavy but a light charge. Nor can we recommend the retention at Safad of a British officer who was posted there recently on the recommendation of Sir Herbert Dowbiggin, and in consequence of the riots which occurred in this town in 1929. If at any time a recrudescence of these disturbances is anticipated it will always be possible to send an officer to Safad; in the Settlement Department there are three officers who have had long district experience and would be available in an emergency. But we cannot think that it is necessary that a British Administrative Officer should always be stationed at Safad, in addition to the British police officers and the British police under them. In the southern district we recommend that there should be one Assistant District Commissioner stationed at Ramleh and in charge of the Gaza, Ramleh, and Beersheba sub-districts. Most of his time will be spent in the Gaza and Ramleh sub-districts; a few brief tours will normally suffice in the case of Beersheba, where there is a police officer whose duty it is to keep in touch with tribal movements. The Jaffa rural areas can be supervised by the District Commissioner. We are satisfied that there is no justification for an Assistant District Commissioner at headquarters.

District Officers.

23. As we have already mentioned, District Officers refer to their Area Officers in all except routine cases. This is clearly wrong. At present and until relations between the communities have greatly improved, the District Administration staffs must contain a strong British element, but the need for training Palestinian officers for the assumption of wider functions should not be overlooked. District Commissioners and Assistant District Commissioners should encourage District Officers to show initiative and shoulder responsibility, and amongst the younger and more recently recruited officers there is good material which will respond to careful and sympathetic training.

24. We do not propose any addition to the powers of the District Officer except in one respect. An important part of the duty of a District Officer is to compose the feuds and quarrels which are so prevalent in the villages. We think that it would greatly assist him in this task if he were given power to try possessory suits, that is, suits for the possession of land; such suits could be tried on the spot with a minimum of cost and inconvenience to the parties and without the delays which resort to the regular magistrates involves. There are also, however, occasions on which immediate action is desirable. Under Section 145 of the Indian Criminal Procedure Code, if a dispute likely to lead to a breach of the peace exists

concerning any land or other immovable property, a magistrate is empowered to determine by summary enquiry the person who is, or is entitled to be, in possession and to forbid any disturbance of his possession until he is evicted in due course of law. If the Magistrate finds that no person is in possession or is unable to decide which party to the dispute is or should be in possession, he may attach the property until a competent Court has determined the rights of the parties. We recommend that similar powers be conferred on all District Commissioners and Assistant District Commissioners and on selected District Officers.

Touring.

25. The British officers in charge of areas usually carry out their tours by motor car though some of them also keep horses, and in view of the distances to be covered and the fact that the villages are generally easily accessible by car, we see no objection to this. But we recommend that District Officers should, except in cases of emergency, travel on horseback. We are not satisfied at present that they spend sufficient time in the villages which they visit and as long as they use motor cars it will be impossible to ensure that their inspections are not cursory and hurried. Further, the remoter villages are not visited as often as they should be; there are villages which have not been visited during the whole of a year by any Administrative Officer. Every village should be inspected at least once a quarter by the District Officer and at least once a year by the Assistant District Commissioner; and both Assistant District Commissioners and District Officers should submit a monthly tour diary to the District Commissioners in which they should show for each day spent in touring :—

(1) The place from which they started;
(2) the place visited; and
(3) in some detail, the work done.

At present District Officers send a monthly report to the District Commissioner but this report is not full enough. District Commissioners must spend much of their time at headquarters, but in some districts at any rate they do not visit the villages as often as is desirable. In Ceylon the provincial Governors send an account of their tours to the Government, and we think that the Palestine Government should receive a similar record of his tours from each District Commissioner. The submission of this report should not be regarded as derogatory or as implying any lack of confidence in a District Commissioner, but rather as a means of keeping the Government informed of conditions in rural areas.

Number of District Officers.

26. In the northern district there are two Class 3* Administrative Officers; one of these deals with correspondence concerning the

*For scales of salary, *see* paragraph 190.

smaller municipalities and the other with commerce and Jewish affairs. We can see no justification for the retention of these two appointments. There is no special officer in the southern district for commerce, and there is the less need for one at Haifa since this town is the headquarters of the Director of Customs. As to Jewish affairs, the obvious solution is to replace one of the two District Officers for Haifa urban area by an officer who is competent to advise the District Commissioner in regard to them. The officer in charge of municipalities is said to be an expert in municipal law but we think that the District Commissioner should not need to retain an expert for this purpose even though to some extent the Ottoman Law is still in force. In any case, the enactment of the Municipal Ordinance now under consideration will remove any difficulty on this score.

In this district there are also (1) two District Officers at Safad one of whom is said to be required to fill leave vacancies, (2) a District Officer at the moment seconded to the Lands Department, whom it is intended later to employ partly as a relieving officer and partly as an inspector of the revenue work in all the District Offices. As no officers are elsewhere retained for either of these purposes, it should be possible to reduce both these posts.

We are doubtful whether a District Officer is required at Aujah Hafir in the Beersheba area. For most of the year he has probably very little work. We have not sufficient local knowledge to justify a definite recommendation, but we suggest that the need for this post should be examined.

A District Officer has been sent, as a temporary measure, to Mejdal in the southern district. The District Commissioner thinks, and we share his view, that this post ought not to be permanently needed.

Language and Law Examinations.

27. Examinations in the Arabic and Hebrew languages have been held annually since the year 1921 ; and it is normally a condition embodied in the letter of appointment of British officers that they must pass the elementary examination in Arabic or Hebrew within three years of appointment. The present District Commissioners, Assistant District Commissioners, and Area Officers, though they may not have passed the examination, have all at least a working knowledge of Arabic ; but this cannot be said of some of the Secretariat Officers, who are interchangeable with Administrative Officers, and may at any time be sent to a district. We think that these officers should now be required to pass in Arabic, and that the condition above mentioned should in future be strictly enforced in the case of all officers appointed to the Administrative Service.

28. An annual examination in law was introduced in the year 1927, and officers of the District Administration were informed in

the year 1928 that failure to pass the examination would disqualify pensionable officers for promotion and officers on probation for confirmation. The following table shows the results so far of this announcement.

No. of officers required to pass the examinations.		*No. of officers exempted.*		*No. of officers who have passed the examinations.*			
				Criminal Law.		*Land Law.*	
British	*Palestinian.*	*British*	*Palestinian.*	*British*	*Palestinian.*	*British*	*Palestinian.*
19	32	2	3	6	8	4	1

It will be seen that 11 British officers and 21 Palestinian officers have neither been exempted nor have passed the examination in criminal law ; and that only five officers have passed the examination in land law.* All Area Officers and District Officers hold magisterial warrants, and most of the Area Officers at any rate have doubtless a fair knowledge of the laws which they have to administer, and might reasonably be exempted. But every officer should either be exempted, if the Government are satisfied that his knowledge of the law is adequate, or required to pass the examination within a specified period.

Mukhtars.

29. The Mukhtar is an important part of the machinery of district administration since it is through him that the tithe is collected ; and it is probable that he will be made responsible later for collecting the land tax which is to take the place of the tithe and werko. It is, therefore, very desirable that he should be a man of some standing whom the villagers will respect. We agree with Sir Herbert Dowbiggin that Mukhtars who do good service should be rewarded with marks of honour, such as a sword or a gun. But still more effective means of encouraging good men would be the conferment of a minor title. At present the Government confers no native titles as it does in India and Ceylon but there appears to be no reason why such titles should not be revived or created.

CHAPTER 4.—MUNICIPALITIES.

History.

30. Under Turkish rule municipal affairs were administered by Municipal Councils. These were elected bodies consisting of six to twelve members according to the size and population of the towns and in theory they enjoyed a wide measure of self-government. In

*We are not certain whether land law is part of the examination which officers must take. We think that it should be.

practice they were closely controlled by the Administrative Councils which were organs of the central Government. A principal source of their income was *octroi*.

After the British occupation the municipalities continued to exist but the councillors were appointed by nomination. It was not till 1926 that an Ordinance was passed which re-established municipal elections based on a restricted franchise and a division of the town into religious communities. Further ordinances have authorized the levy of house rates and regulated the granting of licences. *Octroi* was abolished and replaced at first by contributions under the Foreign Imports Additional Duty Ordinance and later by a system of grants in aid. The Administrative Councils of the Ottoman Code were never reconstituted and control has been exercised partly through the influence of the District Commissioner, partly by requiring Municipal Councils to submit their estimates for the approval of the Government and in certain cases to obtain its prior sanction, and partly by transferring certain functions to bodies containing an official majority. Under the Town Planning Ordinance the construction of roads and the erection of buildings is controlled by the Local Town Planning Commission in which the municipal representatives are a minority. Under the Trades and Industries Ordinance all licences are subject to the approval of the Health Department and the Commandant of Police who may impose such conditions as they please. All loans and drainage schemes require the sanction of the Government. District Commissioners are in close touch with the Mayors who are executive officers of the Councils and much of their time and that of some of their assistants is taken up with municipal affairs.

In 1921 a Local Council Ordinance was passed mainly with the object of developing local government in the Jewish colonies and the Jewish quarters of towns. The terms of this Ordinance are elastic and it is from orders passed under it that the most modern urban authority in the country, Tel-Aviv, derives its powers. The levy of rates and fees is subject to the sanction of the District Commissioner ; in other respects the control of the Government does not differ from that exercised in the Municipalities.

Projected legislation.

31. The need for a comprehensive Local Government Ordinance regulating and prescribing the constitution and organization of Municipal Councils, their powers and duties in relation to those of the High Commissioner, has been recognized for some years. The *ad hoc* Ordinances and remnants of Ottoman Law now in force do not constitute a coherent system. In some respects the control over local bodies is too close ; in others it is lacking or ineffective. A draft ordinance is now being examined by the departments. We desire to offer the following suggestions in regard to this measure.

(*a*) In Jerusalem and Haifa there is a mixed population. In both these towns there is a large Arab and a large Jewish element. There is much internal friction, particularly in Jerusalem where the Jewish councillors have for more than a year ceased to attend the meetings of the Council, and a lack of confidence in the impartiality of the municipal administration which, whether deserved or not, is none the less regrettable. We think that it would greatly conduce to the smooth conduct of municipal affairs in these towns if the District Commissioner were made the Chairman of the Municipality. His influence will be much more effective than it can be at present and, since it will be influence and not control, it will not in any way derogate from the rightful authority of the councillors who represent the rate-payers. Since the District Commissioner already devotes much time to municipal affairs, the change will not add substantially to his work. Besides the Chairman there should be a Vice-Chairman who should be an elected councillor and receive a suitable salary.

(*b*) In Jaffa and Tel-Aviv there are minorities, but they are not large, and therefore we do not propose that the District Commissioner should be the Chairman of the Municipal Councils in these towns. We recommend, however, that in both towns there should be appointed an executive officer whose duties, to be prescribed by the ordinance, would be :—

(1) To supervise and control all municipal servants with power, in the case of minor employees, to take disciplinary action ;

(2) to supervise the carrying out of all work sanctioned by the Council ;

(3) to execute contracts on behalf of the Council ;

(4) to prepare the electoral rolls ;

(5) to prepare the assessment lists ;

(6) to prepare the annual Estimates of revenue and expenditure ;

(7) to collect and account for the taxes, rates, and fees imposed by the Council.

The executive officer should be entitled to sit in the Council and to make a statement in regard to any matter before it, but not to vote. The person selected for this post should, if possible, be an officer with administrative experience seconded from Government service and the appointment if made by the Council should require the approval of the Government.

The executive officer will relieve the Mayor of much work to which, owing to the other calls on his time, it is hardly

possible for him to devote sufficient attention. There is a similar post in the Corporation of Bombay where all executive power is vested in a commissioner appointed by Government. In a number of other Indian towns, too, there are executive officers, but owing to the very limited powers conferred on them the results have not been as good as in Bombay where the delegation of executive authority to a commissioner has been a signal success. It is for this reason that we recommend that the powers and duties of the executive officers should be prescribed by ordinance.

(*c*) The accounts of the Municipalities and Local Councils are at present audited by private firms. We think that in future they should be audited by an officer on the staff of the Government Auditor. Audit by private firms is open to the objection that the firms are appointed and that their appointments can be terminated by the very bodies whose accounts they audit. They may thus be tempted and may find it convenient to consider the susceptibilities of their employers. Moreover, the audit if conducted by Government officers will be under the control of the Government which can thus determine, and if necessary vary from time to time, the percentage of accounts to be tested.

(*d*) We think that the above proposals if accepted should make it possible to reduce the number of cases in which the prior approval of Government is required and to rely more largely on the power of surcharge, control of the Estimates, inspection, and the grant in aid. For example, it does not seem necessary to insist that all drainage schemes shall be approved by Government since no large scheme can be carried out without the aid of a loan, or that no appointment is to be made by a Municipal Council except to a post sanctioned by Government since the annual Estimates will have to be approved by the Government.* Again, it seems sufficient in the case of rates, fees, and other forms of taxation to prescribe maxima, leaving it to the Municipal Councils to levy, subject to the maxima, such rates or fees as they consider desirable. We think further that when the Local Government Ordinance is enacted, the provisions of the Trades and Industries Ordinance which, so far as we know, are peculiar to Palestine, might well be relaxed. At present no trade, the conduct of which may in any way affect the public health, can be carried on without a licence to which the Director of Health can attach such conditions as he pleases. The Department of Health has

*The budgets of small municipalities which receive no grant might be passed by the District Commissioner. Their submission to the Government is and is always likely to be a pure formality.

issued a set of special conditions for the various trades which it will cost nearly £P.200 to translate and print. Unfortunately, as a glance at a " suk " in Jerusalem shows, it is not possible to insist in very many cases on the requirements of this elaborate code and accordingly such cases have to be referred to the Senior Medical Officer and not infrequently are referred by him to headquarters. We venture to doubt whether the results of this procedure are commensurate with the labour and expense involved. We suggest that the new ordinance should prescribe certain general conditions and that Municipal Councils should be empowered to supplement them by more detailed by-laws, reserving power to grant exemption in particular cases from any of the provisions thereof. If the Government Medical Officer of Health finds that exemptions are being granted too freely or that trades are being conducted in an insanitary manner, the Government can intervene and will be able, by means of the grant, to enforce its wishes.

(*e*) We are not certain whether it is intended to retain the Central Town Planning Commission after the new ordinance becomes law. We ourselves can see no need for this. The Central Town Planning Commission, which consists of six Government officers, two non-officials and an adviser who receives £P.500 a year, has already approved, or will have approved at the end of the year, outline schemes for all the major towns (Jerusalem, Jaffa, Tel-Aviv, Haifa) and for some of the smaller towns (namely, Tiberias, Ramleh, Beersheba). The Town Planning Code has also been extended to the towns of Nablus, Gaza, Afuleh and Tulkarem but outline schemes have not yet been prepared. Our own view is that Town Planning schemes are not required for any of the small and for the most part stagnant towns; and that a set of building by-laws would suffice for their needs. In any case we recommend that the Central Town Planning Commission should cease to exist as soon as the remaining outline schemes have been completed.

CHAPTER 5.—LANDS DEPARTMENT, COMMISSIONER OF LANDS, AND SURVEY DEPARTMENT.

32. The operations of the Lands Department, the Commissioner of Lands, and the Survey Department, are closely inter-related and to some extent all these departments are under the control of the Commissioner of Lands.

(a) Land Registries.

33. In 1858 the Ottoman Government established a Department of Land Registries for the purpose of compiling and maintaining a record of all estates and transactions in immovable property. The record was primarily personal and not territorial. In the absence of a cadastral survey no attempt was or could be made to mark on the ground the area of land to which each transaction related. Moreover, though registration was by law compulsory, it was not in fact enforced and much land remained unregistered and was held in virtue of private and primitively drawn contracts. During the campaign in Palestine many of the registers were removed by the Turkish military authorities and the registries were closed till October, 1920, when the Land Registries Department was established, which took over all the functions of the Ottoman Department (Daftar Khakani). The present Department of Lands dates from 1922 when the Department of Land Registries and the Land Department and Land Commission, which were created in 1920 for the purpose of controlling state domains and advising the Government on matters of land policy, were amalgamated.

34. The duties of the Land Registry are to record all transactions in immovable property. The Registrar is responsible for seeing that the parties to a disposition have a good title, and all title deeds are examined and all documents evidencing transactions are prepared by thirteen district Land Registry Offices. Cases in which difficult questions arise are referred for scrutiny to the headquarters office; as also cases where the value of the land exceeds £P.5,000 if it is situated in a town, and £P.3,000 if it is agricultural. The department also deals with all applications* under the Correction of Land Registers Ordinance of 1926 which provides for the investigation of the unofficial registers in which much land was recorded under the Ottoman regime, and for the incorporation of the entries in the official register of titles. The registration of a transaction or of an entry in an unofficial register does not give the person in whose name the land is registered any title to the land. It is merely evidence, which may be rebutted, of ownership. The staff of the department consists of a Director, an Assistant Director, five inspectors styled Land Officers, 16 Registrars, and 37 clerks. The cost in 1930 was £P.17,045 and the revenue amounted to £P.67,758. Most of the revenue was realized from sales of lands by Arabs to Jews, and accordingly the receipts during future years will depend very largely on the extent to which such sales continue.

*Except applications relating to land in villages in which settlement operations are proceeding.

(b) Settlement Department.

Objects and Procedure.

35. At present, therefore, the Land Registers do not contain records of the ownership of land throughout the country. The Turkish registers were very incomplete and even now a large number of the transactions are not registered. Accordingly in 1928 a Land Settlement Ordinance was passed for the settlement of all claims to land and the registration of titles thereto. The operations under this Ordinance fall into four stages :—

(*a*) *Survey.*—The lands of the villages are divided into blocks of convenient size called "registration blocks." Registration block plans are prepared and on each plan are marked the parcels claimed by individuals.

(*b*) *Preliminary investigation of claims.*—Assistant Settlement Officers proceed to the village, record all claims and counter-claims, ascertain from claimants and counter-claimants the grounds on which claims are based, obtain the necessary supporting documents with names of witnesses and other relevant information, and then prepare schedules of claims for the registration block which are posted in the village for a prescribed period. During this period additional claims or counter-claims may be lodged.

(*c*) *Final investigation of claims and deciding of disputes.*—The memoranda of claims prepared by the Assistant Settlement Officers are checked in the Settlement Office and the Settlement Officer then proceeds to the village, decides to what extent he can admit claims to which there is no counter-claim (a claim is not accepted merely because it is undisputed ; in all such cases there is a careful, indeed elaborate, examination of documentary evidence) and when there is a counter-claim hears the dispute and gives his decision. The schedule of rights for each registration block is then completed and posted for the prescribed period in the village. During the period of posting, appeals against the Settlement Officer's decision may be filed in the Land Court or the District Court. The Survey Department prepares final registration block plans in accordance with the orders of the Settlement Officers.

(*d*) *Registration of title after the expiry of the period of posting.*—The schedule of rights with its accompanying registration block plan is forwarded to the Land Registry of the sub-district in which the village is situated and the parcels are entered in a register which is in the form associated with the name of Torrens. The person in whose name a parcel is registered is entitled to a certificate of registration and registration confers a title which is indefeasible except when it is shown that the registration was procured by fraud.

36. A good deal of the land in Palestine is held under the form of tenure known as Meshaa; the ownership is undivided but for purposes of cultivation the land is periodically distributed amongst the owners. The Settlement Officer may partition such land if in the public interests the High Commissioner so directs, and the Commissioner of Lands has recently proposed that all Meshaa land should be partitioned during the course of settlement.

Cost.

37. The progress of settlement operations has hitherto been slow and the cost has been high. Settlement has been entirely completed in twenty villages and is proceeding in another twenty and the cost (excluding survey expenses) works out at £P.8 per 100 dunums,* for the villages so far completed. For 1931 the cost of settlement (again excluding survey expenses) will be about £P.20,000, or about £P.6 per 100 dunums for the area likely to be settled during the year. If this rate were to be maintained the settlement of all titles would not be completed under at least thirty years and the total cost on the Commissioner of Lands' estimate of the area to be settled (which however is much higher than that of Sir John Hope Simpson) would exceed £P.1,000,000. It takes time, however, to organize a new department and to train its officers, and the work of the department was seriously delayed by the riots of 1929. Moreover the Commissioner of Lands has submitted proposals which he believes will enable the work to proceed more rapidly than at present. These include :—

(1) Exclusion of the built-over area in villages in which the sites for buildings and the buildings themselves are of value and their assessment to an urban tax as in the case of towns to which the Urban Property Tax has been applied.

(2) Registration in the case of the built-over area in other villages only of properties for which kushans (title deeds) are held.

(3) The speedier registration of undisputed claims to parcels. Under the procedure now in force no parcels are registered until all disputes have been decided.

(4) Substitution of a fee at a flat rate per dunum on agricultural land and at a fixed rate per parcel on built-on land instead of at an *ad valorem* rate. The computation of fees on the basis now prescribed is a slow, laborious, and costly operation.

(5) Enhanced fees in disputed cases with the object of eliminating ill-founded claims.

*A dunum is a quarter of an acre.

(6) An amendment of the Land Law which will make it unnecessary to register separately land and buildings, and eliminate the numerous disputes between heirs which the present Ottoman Law encourages.

38. On the assumption that these proposals are accepted, that the area to be settled does not exceed Sir John Hope Simpson's estimate of the cultivable area of the country, and that the number of field parties is raised from nine to eighteen, the Commissioner of Lands thinks that settlement operations might be completed by 1942 except as regards disputed claims for the hearing of which Settlement Officers would have to be retained for some years longer. The following table shows the estimated cost of settlement operations on this basis during the next eleven years :—

	£P.
1932	21,816
1933	23,717
1934	27,627
1935	29,880
1936	29,982
1937	30,582
1938	31,132
1939	31,782
1940	32,332
1941	33,032
1942	32,982

To this must be added :—

(1) The cost of the three Settlement Officers, who will be engaged after 1942 in hearing the disputed claims not decided by that date : it is impossible to estimate the number of years for which they would be required : such information as is available, however, suggests that it might be five to seven : the cost for each year will be £P.6,152 ;

(2) The cost of the survey : the Director of Surveys has submitted an estimate* which shows that the proportion of the total expenditure of this department, which is assignable to settlement operations, amounts to £P.468,000, but this sum will be reduced by £P.100,000 if proposals (1) and (2) in paragraph 37 are accepted ;

(3) The cost amounting to £P.14,000 of the additional clerks, who will be needed in the Land Registries.

On the credit side there will be the registration fees realized from successful claimants, but for reasons recorded below we do not think that they will yield a large sum.

*See Appendix I.

Need for Settlement.

39. We entirely agree with the proposal of the Commissioner of Lands for the exclusion of the built-over area in the villages in which the sites for buildings and the buildings themselves are of value. As regards the built-over area in other villages it has been decided that only schedules of rights and of reputed owners should be prepared, but we can see no reason why, as the Commissioner of Lands proposed in 1929 and would still prefer, these areas should not be altogether excluded. Apart from savings on the staff of the Settlement and Land Registries Departments their exclusion would reduce the cost of the survey shown in Appendix I by £10,000. But even if the Commissioner's views on both these points and his other proposals are accepted, the expenditure to be met will still be very heavy; and the question arises whether it is likely to be justified by the benefits which the settlement will bring in its train. In our discussions with him, the Commissioner of Lands laid stress on the stimulus to the development of land which is said to be hampered by the lack of an accurate record of title. We are not impressed by this argument. The returns supplied by the Lands Department show that every month considerable areas of land are being bought and sold. The sales are not confined to whole villages owned by a single individual; they include portions of villages and estates. It seems clear, therefore, that an owner desirous of selling or mortgaging part of his land can, through the agency of the Lands Department, give a title which in practice at any rate will be regarded as satisfactory. Moreover, the argument, even if valid, would apply only to the plains. Increased facilities for sales and mortgages will do nothing to promote the development of the hill areas; what this part of the country needs is co-operative societies and demonstration plots. There are, however, other and more cogent reasons for completing the settlement. In the first place, disputes regarding land which are a fruitful source of village affrays and litigation will be greatly reduced; secondly, the settlement provides the only satisfactory means of partitioning the Meshaa land and of re-partitioning the land in Mafruz (divided) villages, where the distribution of the parcels is prejudicial to good cultivation. The existence of the Meshaa tenure has been justly described as perhaps the greatest obstacle to agricultural progress. The fellahin are intelligent and industrious, but no cultivator will manure or improve a holding which in a few years will be transferred to another man. Partition can at present be carried out on the application of a shareholder under the orders of a Magistrate, but the cost to the shareholder is exceedingly heavy and applications, therefore, are few. In the Ramleh sub-district we understand that some villages have been unofficially partitioned and not unsuccessfully owing to the active interest taken in the matter by the Area Officer. But Assistant District Commissioners and District Officers, even if invested with powers of compulsion, cannot spare the time necessary for the partitioning of large Meshaa

areas. Moreover, in the Mafruz villages the need for repartitioning is not confined to a few villages. In most of these villages the plots of individuals are scattered throughout the village or consist of long narrow strips which it is impossible to cultivate properly. Without a special agency the cultivable area cannot be partitioned on sound principles and the Settlement Officers are clearly the most suitable that can be provided.

Change in Procedure Proposed.

40. We think, however, that the cost of the settlement can be substantially reduced by a change in procedure. Under the Registration of Land Ordinance of 1929, the Settlement Officer grants only a possessory title in certain cases, namely:—

(1) Where the registered owner cannot be traced or makes no claim;

(2) where the land is registered in the name of one person but another person is in possession in such circumstances that, if his possession continues for the period prescribed by law, an action for recovery by the registered owner will be barred.

Thereafter the person registered as owner can recover the land by an action brought within due time, and the rights of persons who are prevented by minority or absence from asserting their claims are also safeguarded. Subject to such rights and if no action is brought by the registered owner, the person to whom the possessory title has been given is registered as the owner of the land. We suggest that in all cases only possessory titles should be granted, and that the procedure should be as follows:—In a Mafruz (divided) village an undisputed claim should be accepted without enquiry and the claimant should be given a possessory title for the land claimed; if a claim is disputed, the dispute should be decided on the basis of possession, that is, the claimant who can show that he is in possession of the land in dispute should be registered with a possessory title; and if for any reason possession cannot be ascertained the Settlement Officer should determine by a summary enquiry the person who is *prima facie* entitled to be in possession and grant him a possessory title. In a Meshaa village undisputed claims to shares should similarly be accepted without enquiry, and when the land is partitioned the claimant should be given a possessory title for the land assigned to the share claimed; in the event of a dispute the Settlement Officer should grant a possessory title for the land assigned to a share or shares to the claimant or claimants who can show by the fact of cultivation or by the receipt of rents that he (or they) is (or are) in possession of land corresponding to the shares claimed; and if for any reason a dispute cannot be settled on this basis, the Settlement Officer should determine by summary enquiry

the person or persons *prima facie* entitled to be regarded as owners and grant them possessory titles for the land assigned on partition to the shares in dispute. Thereafter it would be open to any person who claimed the land to bring an action within the period prescribed by law, namely, ten years. But if no such action were brought within due time or subsequently by a person who had a lawful excuse such as minority or absence from the country, the possessory title would become absolute. It is estimated that in 80 per cent. of the claims that are presented there is no dispute; that in 10 per cent. the dispute is merely regarding boundaries. In only 10 per cent. of the cases is there a real dispute and even of these disputes a substantial proportion are such as would never be brought before the Land Courts. It is safe, therefore, to assume that after the lapse of ten years all but a small fraction of the possessory titles would become absolute.

41. The objections raised against this procedure are :—

(1) That it would make impossible the partition of Meshaa land because in Meshaa villages what is owned is a share and not a particular piece of land.

We are quite unable to follow this argument. It is true that in a Meshaa village what is owned is not a piece of land but a share. But our proposal is not that a possessory title should be granted for a share, but that such a title should be granted for the land assigned on partition to a share. It is also said that claims to additional shares not taken into account in making the partition may be established after the settlement and, if that is so, the partition will have to be revised; but this contingency could be met by providing that claims to additional shares shall be satisfied by monetary compensation from the other owners. This is the remedy provided in Section 60 of the Land Settlement Ordinance when a person succeeds in proving that an entry in the register which cannot be rectified has been obtained by fraud; and the Commissioner of Lands informed us that an unofficial partition carried out in advance of settlement, which was found by the Settlement Officer to be acceptable, would not be upset because of any additional claims that might be established before him.

(2) That the rights of minors or absentees might be prejudiced.

It is perhaps open to doubt whether under the present procedure also the rights of such persons will not sometimes be overlooked. But, however that may be, we think that this objection is met by our proposal that an action should not be barred by the lapse of time if the complainant can show that he was prevented from bringing it by minority, or absence from the country, or some other lawful excuse.

(3) That possessory titles will not be acceptable to the people, more particularly those persons whose lands are already registered in the Land Registries, and that they will therefore decline to co-operate in the settlement proceedings.

It is in our judgment in the last degree improbable that the villagers will take up this attitude. Registration in the Land Registry of land which has not come under settlement does not confer a title. It is merely evidence which may be and sometimes is rebutted. On the other hand, a possessory title would ensure possession of the land unless and until another person established his ownership by an action in the Land Courts; in any such action the person holding a possessory title would be in the position of defendant, and it is on the other party that the burden of proving ownership would rest.

We are unable therefore to see that the procedure which we propose is open to any serious objection.

Cost of New Procedure.

42. The pace at which settlement can proceed is conditioned not only by the procedure of the Settlement Officers but by the out-turn of registration block plans. We are unable to say to what extent by training more men it would be possible for the Survey Department to increase the out-turn, and it may be that the increase could only be secured by a somewhat larger expenditure than a programme spread over a longer period would involve. It is so important that settlement should be accelerated that some additional expenditure on the survey and staff would be justified. But our recommendation will at any rate reduce very substantially the work of the settlement parties since it eliminates the elaborate examination of documents and evidence in undisputed cases and provides, in cases of dispute, for summary inquiry. We are unable to estimate the cost of the staff that will be required if the settlement is carried out on the lines which we have proposed. That can be determined only in the light of experience of the procedure suggested by us. But at any rate it should be possible to complete the settlement by the end of 1942 if not earlier and at an annual cost that will not exceed and may be less than that provided in the Estimates for the current year. There will remain the charges for survey, which will not be less than £P.368,000. This is a large sum, but so far as we can see no appreciable economies under this head are practicable; and against the total expenditure on settlement may fairly be set the excess of income over expenditure, at present £P.50,000 annually, in the Lands Department. The settlement was undertaken in order to complete and correct the registers maintained by the Lands Department which took over the duties of the Ottoman Land Registry; it would have been unnecessary if the Land Registers had contained a full and accurate record of titles to land.

Order of Settlement Operations.

43. Mr. Strickland has recommended that the undivided villages should be settled before those which have been legally divided. Whilst agreeing with this recommendation, we think that the areas in which the villages wholly or partly Meshaa are most numerous should be given priority over all others. In villages unofficially partitioned the distribution of the holdings leaves much to be desired but it is at any rate better than in the Meshaa land. Meshaa villages are scattered and time and money would be lost if the settlement parties were required to proceed from one Meshaa village to another; but the parts of the country in which they are chiefly found should be taken in hand as soon as the settlement has been completed in the area where the Settlement Officers are now working.

Fees.

44. Registration and survey fees are at present assessed on an *ad valorem* basis. The following table shows the fees which have become payable in three villages in the Jaffa sub-district.

Village.	*Area in dunums.*	*No. of parcels.*	*Registration fees payable on settlement.*	*Survey fees on settlement.*	*Commuted tithe.*	*Werko.*	*Animal tax.*
			£P.	£P.	£P.	£P.	£P.
Yazur	22,424	2,680	1,044	812	1,691	494·270	11·082
Salame	13,041	1,790	1,221	378	2,219	657·270	16·475
Beit Dagan	19,427	951	1,069	285	2,581	907·120	16·194

It will be seen that the sums due are very large amounting in the case of Yazur to more than the annual tithe. If fees continue to be assessed on this scale and are realized they will cover a large part of the combined cost of the Survey and Settlement Departments. So far, at any rate in the Jaffa sub-district, no attempt to collect them has been made. When we visited the Jaffa district offices we found that the clerks had been unable to cope with, had indeed abandoned, the task of compiling from the schedules of claims the sums due from each owner. This appears to have been due to a mechanical defect which no doubt is not insuperable. But it is quite certain that an attempt to realize these fees would provoke great resentment and opposition; they are in fact beyond the capacity of the villagers to pay. The fall in prices has made it difficult to collect the tithe, and even before the fall the agricultural population were heavily taxed. The report of the Johnson-Crosbie Committee shows that the net income to owner-cultivators in the Arab villages on 100 dunums of land is only £P.25. Even a much reduced fee therefore would involve great hardship. The Commissioner of Lands suggested last November that only nominal fees or none at all should

be charged. We think that in undisputed cases this is the only course practicable. In disputed cases the fees should be as at present those charged in possessory actions in the Magistrates' Courts. If only possessory titles are given the higher scale in force in the Land Courts cannot, even if it were possible to collect it, be levied, but we suggest that an effort should be made to collect such fees by means of a Court fee stamp at the time of hearing. Since the object of the settlement is to register all land it is not possible to refuse to hear a claim because the fee is not paid in advance. Parties might however be encouraged to do so by imposing an enhanced fee on successful claimants if the fee were not so paid.

Post-Settlement Registration.

45. If the settlement is to be of permanent value it is essential that all subsequent dispositions and successions should be registered. It is proposed to ensure this (1) by the charging of low fees*; (2) by making invalid and penalizing all unregistered dispositions; (3) by making it obligatory for heirs and legatees to register land within a year of the death of the proprietor; (4) by requiring the Sharia Courts to send copies of succession certificates to the Land Registries; (5) by rewarding persons who bring to light any such dispositions. We do not believe that these measures alone will suffice. It has not been the practice of the people to register successions and there is a long-standing prejudice dating from the Ottoman regime against registration which it may take generations to overcome. In addition to penalties and awards, there must, we think, be an agency charged with the duty of reporting all successions and transactions.

46. It will not be possible to impose this duty on the already overburdened Mukhtar, and we see therefore no alternative to the appointment for a village or group of villages of an official corresponding to the Indian village accountant.† Moreover, there are other and very strong reasons for appointing such a staff. Mr. Strickland has pointed out that in its absence it will be very difficult to carry out his scheme for liquidating the debts of the cultivators. Sir John Hope Simpson has recommended that occupancy rights should be conferred on tenants. There is no reform more urgently needed. Although accurate figures are not available, the Commissioner of Lands believes that about half the land is cultivated by tenants. Rents are already very high, usually 40 per cent. of the gross produce, and the increase of the population which is rapid will drive them still higher. It will be useless to relieve the tenants of their debts or to

*We agree that low fees are desirable in settled areas. The reduction in receipts will be offset, it is anticipated, by the registration of more numerous transactions. But we see no case for reducing the registration fees in advance of settlement, nor, indeed, is this contemplated.

†*See* on this point Mr. Strickland's Report, pages 42 and 43.

improve methods of cultivation if the only result is to enable the landlords to extract higher rents. And if occupancy rights are to be conferred provision must be made not only for the compilation but for the maintenance of a register of tenants. The cost of a staff of village accountants will not be very great. Allowing for the large area cultivated by owners and the Jewish Agency land for which no register is required, on the average one village accountant should be able to maintain the registers of three or four villages ; the total cost should therefore not exceed £P.14,000 per annum, and against this must be set the extra registration and Sharia Court fees which will eventually be realized.

(c) Commissioner of Lands, Director of the Lands Department, and their Staff.

47. Apart from settlement operations the Commissioner of Lands is responsible :—

(*a*) for the assessment of the Urban Property Tax which has replaced in all municipal areas the Turkish Werko (House and Land Tax) : it is anticipated that the assessment will have been completed in all the towns by the end of this year after which only annual revisions will be required ;

(*b*) for the demarcation and transfer of State Domains in the Beisan sub-district : this work, too, will be finished before long ;

(*c*) for the fiscal survey of all rural lands which is being carried out for the purpose of replacing the tithe and werko by a land tax : this involves the survey of all agricultural land, its division in each village into fiscal blocks of approximately equal productivity, and the valuation of each block : it is hoped that the survey will be completed for the plains by the end of 1932 and for the hill areas by the end of 1933.

48. At present there are two officers both in Class 2 who are in charge of the assessments under the Urban Property Tax ; one of them, however, is mainly engaged on the fiscal survey. It is intended, we understand, that both should be retained after the completion of the survey as inspectors of the Urban Property Tax assessments, though the appointment of one is eventually to be made a Class 3 post. We cannot see that the annual revisions of this tax necessitate the employment of two inspectors. We consider that for this purpose one inspector in Class 3 should suffice.

49. There will also, in our opinion, be no justification when the fiscal survey has been completed for retaining, in addition to the Commissioner of Lands, a Director of the Lands Department. The annual revisions of the Urban Property Tax involve only routine references to the Commissioner and a whole-time officer is not needed for the supervision of three Settlement Officers and their staff.

The officer holding the post of Commissioner of Lands should take over the work of the Director of the Lands Department ; for the detailed inspection of the land registers there is an adequate staff of inspectors ; and the general supervision and control of this Department will not add unduly to the task of the Commissioner of Lands.

50. The Assistant Director of the Lands Department is at present mainly occupied in representing the Government in cases in which the Government claims to be the owner of land before the Settlement and Land Courts. The Attorney-General has now undertaken to relieve him of this work which is clearly not part of the duties of his post. He will then be employed at headquarters in the examination of the more difficult cases referred by the Registrars. As he will have no administrative duties and is not qualified to act for the Commissioner of Lands if and when that officer assumes charge of the Department, a salary of £P.750–950 appears to us excessive. We do not suggest a reduction of the pay of the officer now holding the post but we recommend that when he retires the post of Assistant Director be abolished and that in its place a third post of Land Officer be created, if the volume of work is then more than two Land Officers can deal with.

CHAPTER 6.—LEGAL DEPARTMENT.

Staff and Duties.

51. The staff of the Legal Department consists of :—

The Attorney-General,
the Solicitor-General,
the Director of Legal Studies,
the Government Advocate,
the Assistant Government Advocate,
3 Junior Government Advocates ; and
9 clerks.

The functions of the department are :—

(1) To conduct criminal proceedings. No person can be placed on trial before the District Court or Court of Assize except upon information filed on behalf of the Attorney-General. The information is laid by the Junior Government Advocate in all cases except those involving the capital penalty, but the Junior Government Advocate has instructions to seek the advice of the Government Advocate before laying information in cases of certain specified offences or of exceptional difficulty. In capital cases the Junior Government Advocate usually

appears in the committing Magistrate's Court ; in the Court of Assize and in the Court of Appeal the Government Advocate or the Assistant Government Advocate appears.

(2) To conduct civil cases in which the Government is concerned. The Junior Government Advocate conducts civil cases in the District Courts and the Magistrates' Courts, and the Government Advocate or the Assistant Government Advocate is in charge of appeals. In land settlement cases the Attorney-General has hitherto been represented by an officer of the Lands Department but has now arranged to provide an officer of his own department for this purpose.

(3) To draft legislation.

(4) To advise the Government and all departments.

(5) The direction of legal studies. Law classes are held from December to May and during this period the Director delivers lectures and is responsible for the school. The examinations are held between June and December when the Attorney-General acts as Director.

(6) To register companies and co-operative societies.

The Attorney-General has power to commit for trial any case where a Magistrate refuses to commit. He can also appeal against an acquittal. No criminal charge against a public officer can be investigated by a Magistrate without his authority. He is a member of the Executive Council and Advisory Council. The distribution of work between the Attorney-General and the Solicitor-General is not prescribed by any law or ordinance. In practice, the Solicitor-General disposes of the work made over to him by the Attorney-General.

Volume of work.

52. The number of cases in which the advice of the Attorney-General is sought by departments is very large and is likely to remain so for many years to come, because it is the result of conditions which cannot be quickly altered. The Civil Government has been in existence for only ten years ; the departments are inexperienced ; and the precedents on which an older Administration can rely are lacking. Moreover, the condition of the law itself is little short of chaotic. It is contained partly in an enormous number of ordinances and partly in Ottoman Codes which have been modified or superseded to an extent not always easy to determine by the ordinances.

53. The consolidation and redrafting of the ordinances will be a heavy task. The ordinances for the period 1918–1925 have been published in a volume generally known as Bentwich Volume I. The numbers of the sections in these ordinances do not correspond with those in the ordinances as they appear in the Official Gazettes and the latter alone are recognized by the Courts. Moreover, there

is hardly an ordinance which has not been amended again and again and the amending ordinances are spread over six other volumes. And apart from consolidation and redrafting, legislation is urgently needed on the following subjects :—

(1) Criminal procedure. This is regulated at present by the Courts Ordinance, the Trial Upon Information Ordinance, the Criminal Procedure Release on Bail Ordinance, the Arrest of Offenders and Searches Ordinance, and fragments of Ottoman Law still supposed to be in force, which taken together are far from constituting a complete and satisfactory code.

(2) Civil procedure. This is regulated by the Ottoman Civil Procedure Code and another Ottoman Code known as the "Mejelle," supplemented by a few Rules of Court under the Courts Ordinance. There are no rules or at least no adequate rules for the discovery of documents, pleadings, and the framing of issues, and the provision of the Ottoman Code which requires the Courts in every case, however petty, to deliver a reasoned judgment, has not unnaturally resulted in such judgments not being delivered even when they should have been. The absence of a modern code leads to great delays in the trial of cases and makes it extremely difficult for lawyers and litigants to ascertain the questions at issue and the decisions on them.

(3) There is no modern and comprehensive Evidence Act. There are only three very brief ordinances repealing or supplementing such provisions as are to be found in the Ottoman Codes.

It is also desirable that the Ottoman Land Code should be simplified ; that a law of torts, which will get rid of many cases now instituted in the Criminal Courts, should be enacted; and that as in Cyprus, the Mejelle, in so far as it deals with contracts, should be replaced by a modern law of contract.

54. It may be possible eventually for one officer to be in charge of the Legal Department ; in an Indian province with a population that may be twenty or even fifty times as large as that of Palestine, the Government has only a Legal Remembrancer assisted by one very junior officer. At present, however, there is more than enough work for the Attorney-General and the Solicitor-General and little prospect of the ordinances most urgently needed being drafted for many years to come. We do not know whether the Colonial Office could undertake the drafting of a criminal procedure code, a civil procedure code, and an evidence code, but if not, we can only suggest that the work be entrusted to a competent draughtsman not in Government service.

Registration of Companies and Societies.

55. The Government Advocate is the Registrar of companies and also of co-operative societies but the registering is in practice done by the Chief Clerk of the Attorney-General assisted by two other clerks. The Chief Clerk is also now conducting cases on behalf of the Government before the Settlement Courts but if these cases increase (as they will if the settlement is accelerated), he will need assistance. The proposals which we make later in this report for the appointment of three Chief Magistrates will relieve the District Courts of four-fifths of the criminal cases that now come before them, and as the police will prosecute in the Courts of the Chief Magistrates, it will no longer be necessary to employ three Junior Advocates in the District Courts. We think that a Junior Government Advocate should be appointed Assistant Registrar of Companies and Co-operative Societies* and that he should also take over the registration of trade marks and patents which at present is done in the office of the Director of Customs. There were in 1930 only 25 applications for the registration of patents, and of 245 applications relating to trade marks only three involved a hearing before the Registrar. The allowance of £P.100 per annum now paid to the Director of Customs could then be abolished. Two Junior Government Advocates assisted to some extent by the Junior Government Advocate who will be the Assistant Registrar of Companies should suffice for the conduct of cases in the District and Settlement Courts if the less important prosecutions in the District Courts are entrusted to the police whose task will be greatly lightened when the magisterial enquiry is held by a British Chief Magistrate. In the Nablus District Court a police officer even now prosecutes in all criminal cases. The Chief Clerk will then be available for his proper work, namely preparing the cases for the Attorney-General.

CHAPTER 7.—THE JUDICIARY.

Present constitution of Courts.

56. The judicial system of Palestine is in some respects peculiar ; it has features that, so far as we are aware, have no parallel elsewhere.

The Courts consist of :—

(*a*) *Municipal Courts.*—These are Courts for the trial of petty offences, chiefly contraventions of the Road and Public Health Ordinances. They can impose a penalty not exceeding a fine of £P.5 or imprisonment for fifteen days or both. It was

*That is, so far as co-operative societies are concerned, until a Registrar of Co-operative Societies is appointed as recommended by Mr. Strickland.

originally intended that they should be composed solely of honorary Magistrates, but the only places in which Benches of honorary Magistrates now sit are Acre, Tel-Aviv, and Gaza. These Benches have not given satisfaction and there is a proposal now under consideration to abolish them.

(*b*) *Stipendiary Magistrates.*—The criminal jurisdiction of these Courts extends to offences under the Penal Code the maximum penalty for which does not exceed imprisonment for a year or a fine of £P.100, and to contraventions of ordinances. On the civil side they can try cases in which the value of the subject matter or damages are not more than £P.100 and actions for the recovery of possession and for the partition of immovable property. Appeals lie from their decisions (1) in a criminal case to the District Courts if the penalty imposed is a fine amounting to £P.10 or imprisonment exceeding 15 days, (2) in actions relating to land to the Land Courts, and (3) in other civil actions where the amount claimed or for which judgment is given is not less than £P.20, to the District Court.

(*c*) *The District Courts.*—There are four District Courts : at Jerusalem, Jaffa, Haifa, and Nablus. Each consists of a British President and two Palestinian Judges. The original jurisdiction of these Courts extends to all offences, other than those punishable with death, which are not triable by Magistrates, and to all civil actions which Magistrates are not competent to hear. In the trial of civil cases and of misdemeanours, that is, offences punishable by not more than three years' imprisonment or a fine exceeding £P.200, any two Judges of the Court may sit. In the trial of crimes and in all appeals the President of the Court must sit with the other two Judges. There are two Relieving Presidents who fill vacancies due to sickness or leave or the absence of a President who is acting as Judge of the Supreme Court.

(*d*) *The Land Courts.*—There are two special Land Courts, one at Jerusalem and one at Jaffa, which try all cases in which the ownership of land is in dispute. Each consists of a British President and a Palestinian Judge. At Jaffa there is at the moment a vacancy in the post of President, and the President of the District Court presides. In Jaffa and Nablus the President and a Judge of the District Court hear cases relating to land.

(*e*) *Court of Criminal Assize.*—The Assize Court tries all capital cases. The President is a Judge of the Supreme Court and there are three other members, namely, the President and two Judges of the district in which the trial is being conducted.

(*f*) *The Supreme Court.*—The Supreme Court contains six Judges, the Chief Justice and the Senior Puisne Judge who are both British, and four Palestinian Judges. It sits as a Court of Appeal from District Courts and the Land Courts, in two divisions each presided over by a British Judge who sits with two Palestinian Judges. Appeals lie from the District Court in all civil cases, and from the Land Courts on a point of law, and in criminal cases if the sentence exceeds a year's imprisonment or a fine of more than £P.100. As the High Court of Justice, the Supreme Court deals with such matters as mandamus and habeas corpus and when so sitting need not include more than two Judges of whom one must be British.

(*g*) *The Court of Criminal Appeal.*—The Court of Criminal Appeal hears appeals in capital cases. It consists of five Judges, namely, a British Judge of the Supreme Court, the President of the District Court, and three Palestinian Judges of the Supreme Court. Thus no less than nine Judges are required for the disposal of any case punishable with death.

Administration of Criminal Justice.

57. In the administration of criminal justice there are at present three outstanding defects :—

(1) In the Magistrates' Courts there is great and quite unjustifiable delay in the hearing of cases in which the accused are charged with offences triable by a District Court. Remands are granted again and again on the application of the police and without even an attempt on the part of the Magistrate to satisfy himself that there are sufficient grounds for granting the application. Evidence is not recorded if the inquiry has not been completed in every single respect. The older Magistrates have no knowledge of the English language and are acquainted only with the methods and practices of the Ottoman Courts. The younger men are doubtless more competent, but they are mostly clerks who have passed the Advocates' examination and do not understand the principles of the English criminal procedure. The Police would benefit greatly by the intelligent and discriminating criticism of the Courts, but at present this is entirely lacking.

(2) A large number of persons have been awaiting trial in the superior Courts for long periods. At the end of February 1931 there were in the lock-ups and the prisons 50 persons, three of whom had been awaiting trial for 9 to 12 months, 15 for 6 to 9 months, and 32 for 3 to 6 months. On the same date there were on bail 212 persons who had been awaiting trial ; 12 for over 18 months, 8 for 12 to 18 months, 18 for 9 to 12 months,

33 for 6 to 9 months, and 141 for 3 to 6 months. Doubtless there are special reasons for the delay in some of these cases, but when every deduction is made the arrears on the criminal side in the higher Courts are deplorably heavy.

(3) Much of the time of the superior Courts is taken up with cases which ought to be heard by Magistrates. The table in Appendix II shows the number of persons tried in the year 1928, the last normal year, by the District Courts and the offences of which they were convicted. It will be seen that if there were Magistrates empowered to try all offences classified as misdemeanours under the new Penal Code, which will shortly be enacted, and certain of the less grave felonies,* and to pass sentences not exceeding two years' imprisonment, the District Courts would be relieved of three-fourths to four-fifths of the cases which now come before them.

58. We recommend the appointment of three Magistrates so empowered. These Magistrates should be called Chief Magistrates and as such they should inspect and supervise the work of the other Magistrates. They should be authorized to transfer cases from the Court of one Magistrate to the Court of another or to their own Courts and to send for the record of any case for the purpose of satisfying themselves as to the correctness, legality, or propriety of any sentence or order ; and if necessary to report to the Supreme Court the result of such examination if it appears that the sentence should be reversed or altered. Appeals from the decisions of the ordinary Magistrates should lie to them. From the returns we have received it appears that the number of days spent by all four District Courts on criminal work is about half the total number of days on which these Courts sit during the year. It is clear therefore that not more than three Magistrates will be required. Their territorial jurisdiction cannot of course be the same as that of the District Courts. The work must be distributed on the basis of the police divisions ; and if they are stationed at Jerusalem, Jaffa, and Haifa it may be desirable that one or more of them should sit from time to time at Nablus. It should not be difficult to arrange for this.

The other Magistrates should try offences which under the new code are classified as contraventions, and a few minor misdemeanours such as assaults and contraventions of ordinances. If their jurisdiction is thus restricted it is doubtful whether the three posts recently sanctioned need be filled. The returns submitted by them indicate that the arrears are not very large and that they are not growing.

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*Those under Sections 251, 301 (first part), 302 (first part), 309–312, 315, 323, 334, and 339, all of which in India are triable by Magistrates of the First Class.

MAGISTRATES' COURTS.

	Pending 31st December. 1929.	*Entered during Year.*	*Decided during Year.*	*Pending 31st December.* 1930.
Civil	1,700	64,025	63,929	1,796
Criminal	1,382	23,481	23,528	1,335
Total ..	3,082	87,506	87,457	3,131

These returns are not an entirely reliable index of the volume of work pending, because Magistrates, we are informed, in order to show a small pending file, dismiss civil cases which should be adjourned, and subsequently readmit them. Still, we recommend that these three posts should be kept vacant until it is clear that the appointment of Chief Magistrates will not afford sufficient relief.

59. We think that, partly for the reasons to which we refer below and partly because there are no Palestinian Magistrates to whom these wider powers could be extended, the Chief Magistrates must be British officers. It is not necessary, however, nor desirable that the appointments should be filled from England or by transfer from one of the Colonies. A Magistrate should know the language and understand the people of the country. This is not merely an advantage ; it is an indispensable qualification for the proper performance of his duties, and is so regarded in all countries under British rule. For this reason we recommend that appointments to the posts of Chief Magistrate should be made from the Administrative Service. All Administrative Officers hold magisterial warrants and, in the case at any rate of future entrants, should be required to pass an examination in criminal law. For the first appointments there will be available, if our recommendation regarding the number of Assistant District Commissioners is accepted, three officers who have already had considerable experience of magisterial work. Officers selected to be Chief Magistrates will on appointment cease of course to exercise any executive functions and will be entirely under the control and supervision of the judicial authorities. After serving, however, as Chief Magistrates for a period of not less than five years, they should be eligible for re-transfer to the executive administration,

60. For the trial of the cases arising out of the disturbances of 1929 it was found necessary to constitute special tribunals composed entirely of British Judges and the magisterial inquiries were conducted by British Magistrates. And it is unfortunately far from certain that further disturbances will not sooner or later occur. A good understanding between the two principal communities must, it is to be feared, be the work of many years ; there is no prospect of its being attained in the near future. The large security forces now

maintained will ensure the prompt suppression of riots but cannot altogether prevent their occurrence. There have frequently been communal riots in India in places where there was a strong military garrison. Still less can they avert the occurrence of incidents in which individuals or small bodies only are concerned. At any moment, therefore, it may be necessary to supersede on a large or a small scale the ordinary Criminal Courts and to set up special tribunals. It would be impossible to allow the District Court or the Assize Court as at present constituted to try any case which had aroused strong racial feeling. We think that this is a very undesirable state of affairs. In a country in which two races live side by side the normal composition of the Courts should be such that whatever the cases before them their impartiality will not be challenged by either race. We recommend therefore that on its criminal side the District Court should consist of a British President only. He should sit with assessors summoned in each case from a list of suitably qualified persons but should not be bound in any way by their opinions. Appeals from the Chief Magistrates should lie to him.

61. For the same reasons we recommend that the Assize Court should consist of two British Presidents and that the appeals in criminal cases from the decisions of the District Court should be heard by the two British Judges of the Supreme Court and appeals from the Assize Court by these two Judges and a President of a District Court.

Administration of Civil Justice.

62. At present a single Magistrate can try a civil action if the value of the subject matter or the damage claimed does not exceed £P.100. If the value or the sum in issue is £P.101 the action must be heard by two Judges. This is an anomaly for which, so far as we can see, there is no sort of justification. If a Palestinian Judge can be entrusted with the trial of actions in which the amount in dispute does not exceed £P.100, there is no reason why a Palestinian Judge sitting alone and *a fortiori* the President of the District Court should not be empowered to hear cases of a higher value. We recommend that Palestinian Judges should be authorized to hear cases valued at not more than £P.200 ; that Presidents of District Courts should be competent to try cases valued at not more than £P.500 and all actions and applications (e.g., confirmation of wills, succession, foreclosure, etc.) which have no fixed value ; and that actions valued at more than £P.500 and appeals from Magistrates should be heard by the President and a Judge of the District Court. If there is a difference of opinion in regard to an appeal, the case should be referred to the President of another District Court. There is no need to except from this proposal suits relating to land. The distinction between the Land Courts and the other Civil Courts rests admittedly on no principle and should be abolished. Land Courts were established

because it was believed that cases relating to land were peculiarly difficult. It is now recognized that this is not so. The maintenance of separate Land Courts involves, too, much waste of time in the Jerusalem and Jaffa Courts, because if one judge is for any reason unable to attend, the Court cannot sit. It is also the underlying reason for the restriction of the jurisdiction of Magistrates to suits for possession ; every suit, however petty, must go to the Land Court or the District Court, if a question of ownership is in issue. There is no reason why Magistrates should not try such suits if the value of the land does not exceed £P.100, and we recommend that they be so empowered.

Number of District Court Judges.

63. It remains to estimate the number of Judges who will be required in the District Courts if our proposals are accepted. As we have already mentioned, criminal cases occupy about half the time of the District Courts. For civil cases therefore there are available at present two District Courts or the equivalent thereof ; the Land Court of Jerusalem and the Land Court of Jaffa. The arrears in the latter Court are heavy owing to the fact that the post of President has been vacant for some time. In the District Courts they are not noticeably so but the number of cases pending rose in 1930 from 375 to 515. Our proposal for the appointment of three British Magistrates will relieve the District Courts of most of the criminal cases which now come before them, and our recommendation for conferring jurisdiction within certain limits in civil cases on single Judges will mean that the out-turn of two Judges will be far greater than it is now. This will be clear from the table in Appendix III which shows the number of suits instituted and their valuation. We estimate accordingly that four District Courts consisting each of a President and a Palestinian Judge will be able without difficulty to dispose of all cases which, if our suggestions are approved, they will have to try. If at any time there are arrears in one District Court, the Chief Justice should be empowered to transfer cases from that Court to another District Court. Distances in Palestine are so short that the transfer will not impose hardship on litigants.

The Supreme Court.

64. We recommend that the Supreme Court should consist of four Judges ; two British, namely the Chief Justice and Senior Puisne Judge, and two Palestinian. On judicial grounds there is clearly no objection to the reduction of the number of Judges from six to four. The Court will sit in two Benches each consisting of two Judges and, since its work will be appellate,* if there is a difference of opinion the case can be referred to a third Judge. This is the practice

*Except when it sits as a High Court of Justice. When so sitting it need, even now, contain only two Judges.

in all the Indian High Courts. It is said that with a Court of six Judges it is easier to provide for the representation of the various communities, but we think that this will also be possible in our scheme since in the District and the Supreme Courts combined there will be six Palestinian Judges. The change which we have recommended in the composition of the Assize Court will add substantially to the out-turn of work by the Supreme Court ; at present when one of the British Judges is engaged in the Assize Court only one Bench can sit.

Civil Procedure Code.

65. The procedure in the Civil Courts is regulated by the Ottoman Code modified or supplemented to some extent by Rules of Court which have been made by the Chief Justice. A modern code is urgently needed, but pending its enactment much time would be saved if in every case in which a defence was not entered within a fixed time a single Judge of the District Court were empowered to sign the judgment at once on proof of service. This will prevent defendants from coming into Court, stating for the first time a defence and securing an adjournment, and will make it much easier for the Courts to prepare their cause lists.

Law Reports.

66. The lack of law reports is undoubtedly a serious handicap to the bar and to litigants. This matter has been under consideration since 1926, and so far without result. We suggest that the Director of Legal Studies be asked, in return for a suitable addition to his remuneration, to select in consultation with the Chief Justice, and prepare for publication, the more important judgments of the Supreme Court. Another grievance of the bar is that inspection of the records of decided cases is not permitted. It is obvious that inspection cannot be allowed except under proper supervision, and this means that a room must be provided in which lawyers examining records and a clerk of the Courts can sit. At present there is no room in the Law Courts building which can be made available for this purpose. We recommend that if possible one be added.

Process Servers.

67. There are 111 process servers costing £P.6,000 who are employed in serving processes in civil cases. Many of these process servers would not be required if private service, that is service through the parties or their lawyers, were instituted. This is the practice in some Colonies, for example, Cyprus, and we can see no reason why it should not be adopted in Palestine. As there is some difference of opinion, however, amongst the judges on this point, we recommend that private service be introduced as an experiment in one of the District Courts.

Execution Department.

68. There is a proposal at present under consideration for transferring the work of the Execution Department to the District Administration. At present this work occupies an appreciable portion of the time of the President of the District Court. If it were transferred to the District Administration there would be some reduction in the number of accounts to be kept and perhaps some saving in expenditure ; parties would not have to wait as long as they now do ; and as each District Officer would become the execution officer for his sub-district, no senior officer of the district staff would be unduly burdened. We have no hesitation therefore in supporting this proposal.

CHAPTER 8.—POLICE.

69. The Police Department was the subject last year of a prolonged and thorough investigation by Sir Herbert Dowbiggin. We need therefore only note any points on which we are unable to concur in his recommendations or in regard to which we desire to make comments and suggestions of our own.

Superior Staff.

70. The superior staff recommended by Sir Herbert Dowbiggin is shown in the following statement :—

	Commandant and Deputy Commandant.	*District Superintendent.*	*Deputy District Superintendent.*	*Assistant Superintendent.*	*Distribution of Assistant Superintendents.*
Headquarters	2 Commandant and Deputy Commandant (Admns.)	—	—	4	Personal Assistant 1 Quartermaster .. 1 Paymaster .. 1 Bandmaster .. 1 *Note.—There will be 2 British Inspectors, Farrier, Armourer.*
C.I.D.	1 Deputy Commandant.	—	1	3	Political .. .. 1 Records .. .. 1 Investigation .. 1
British Section (with strength of 650).	—	1	1	6	Jerusalem City and District .. 1 Jaffa .. .. 1 Jaffa Outstations 1 Haifa .. .. 1 Haifa Outstations 1 Safad .. .. 1 *Note.—There will be 2 British Inspectors, 1 Motor Transport, 1 British Section Camp.*

	Commandant and Deputy Commandant.	*District Superintendent.*	*Deputy District Superintendent.*	*Assistant Superintendent.*	*Distribution of Assistant Superintendents.*
Training School.	—	1	—	1	Instructional Officer .. 1 *Note.—There will be 2 British Inspectors.*
Northern District, Haifa and Acre, Nazareth and Safad divisions, relieved of Prisons and Jail Labour Companies.	—	1	2 One Deputy to District Superintendent of Police ; one in charge of Haifa-Acre division.	4	Crime .. .. 1 Haifa Town .. 1 Haifa Rural .. 1 Acre .. .. 1 All under Deputy District Superintendent of Police, Haifa and Acre. *Note.—There will be a British Inspector in Haifa Town.* Nazareth (Nazareth-Beisan) .. 1 Safad .. .. 1 *Note.—There will be 1 British Inspector at Nazareth and 1 at Safad.*
Nablus district, Nablus-Jenin, Tulkarem.	—	—	1	3	Crime .. .. 1 Jenin .. .. 1 Nablus .. .. 1 *Note.—There will be 1 British Inspector at Nablus and 1 at Tulkarem.*
Southern district, Jaffa-Tel Aviv, Ramleh, and Gaza.	—	1	2 One Deputy to District Superintendent of Police ; one Deputy in charge of Jaffa Division.	4 1	Crime .. .. 1 Jaffa Town .. 1 Tel Aviv .. 1 Ramleh .. .. 1 *Note.—There will be 1 British Inspector in Jaffa Town* Gaza .. .. 1 *Note.—There will be 1 British Inspector at Gaza.*
Beersheba	—	—	—	1	*Note.—British Inspector at Beersheba.*
Jerusalem district.	—	1	1	5	Crime .. .. 1 Jerusalem Old City .. .. 1 Jerusalem New City .. .. 1 Jerusalem Rural 1 Hebron .. .. 1 *Note.—There will be one British Inspector in Jerusalem New City and one at Hebron.*

	Commandant and Deputy Commandant.	*District Superintendent*	*Deputy District Superintendent*	*Assistant Superintendent.*	
Reserve. Leave. Sickness. Officers under training and on probation.	—	—	—	2	
Required	3	5	8	36	= 52
Total present strength.	2	3	9 (*Note.—Mr. Blackett to be shewn under Prisons Dept.*)	33	= 46 (*excluding Mr. Blackett*).
Additional strength required.	1 (Deputy Commandant).	2	—	3	= 6

These proposals have been sanctioned with the exception of the post for District Superintendent for the British Section; a post of Assistant District Superintendent in this section is vacant.

71. We think that without impairing the efficiency of the force some reduction can be made. We are aware that in differing from Sir Herbert Dowbiggin we are laying ourselves open to the criticism that we are dissenting from an expert. Since, however, the Police Department is not excluded from the terms of our reference we are bound to record the conclusions which we have formed. They have not been reached without careful consideration.

(1) *Headquarters.*—It is admitted that a band is not an essential adjunct of a police force; it is in fact a luxury which in present circumstances the country cannot afford. If it is abolished there will be one less Assistant District Superintendent required.

(2) *C.I.D.*—There are two trained finger-impression officers in the Records Section and a confidential British clerk who is responsible for the filing and custody of the records. There can clearly, therefore, be very little work for the British Assistant District Superintendent in charge. We think that the Assistant District Superintendent for the Political Section or the Deputy District Superintendent could take over his duties.

(3) *British Section.*—It is proposed that the Deputy Superintendent and the Assistant District Superintendent now at headquarters should be replaced by a District Superintendent and Deputy District Superintendent. The District Superintendent is to be in general charge of the British Section and he and the Deputy Superintendent are to be responsible for the training of the recruits and men sent in from outstations for

refresher courses. There will normally be not more than 50 men under training, and there is a large staff of non-commissioned officers. A single Deputy Superintendent should therefore have no difficulty in supervising the training of this small body. The men not under training are under the disciplinary control of the District Superintendents but the Officer Commanding British Section is consulted regarding promotions and cases of grave misconduct. We can see no advantage in this procedure. The District Superintendent under whom the men work is clearly the officer best qualified to advise the Commandant. We consider that the post of Officer Commanding British Section serves no purpose and should be abolished.

Further, it does not seem necessary that there should be a separate Assistant District Superintendent in charge of the British Police even where the Divisional Officer is British and there is a British Inspector. We can see no reason why the Assistant District Superintendent in charge of the Safad division and his British Inspector should not continue as at present to supervise and control the British Police in that division, and we consider that the proposal to appoint to this division another British Assistant District Superintendent should be dropped. A similar arrangement at Nazareth is in our judgment entirely practicable. The outstations and outposts at which small detachments of British police are employed are in both divisions easily accessible by motor car. We have not overlooked the need for filling leave vacancies in both sections of the Police, British and Palestinian, but as British Inspectors are competent to act for British Section Assistant District Superintendents and there will be a reserve of two Assistant District Superintendents, there should be no difficulty in providing for this.

(4) *Deputy District Superintendents.*—The volume of crime with which the police in Palestine have to deal is at first sight impressive, but analysis shows that the proportion of serious or difficult cases is not large. The number of cases classified as murder or attempts at murder is undoubtedly high; many of them, however, end in sentences of imprisonment ranging from six months to three or four years, a fact which, allowing for the distinction drawn by the Ottoman Code between premeditated and unpremeditated murder, suggests that under a modern code they would be classed as cases of grievous hurt rather than attempts to murder. And it is admitted that they are amongst the easiest to investigate and prosecute; the cause is usually some village feud or sudden quarrel and the police have no difficulty in detecting the offenders. There is very little organized crime.

There is one Deputy District Superintendent in the Jerusalem, two Deputy District Superintendents in the northern and two in the southern districts. We agree that there should be a Deputy District Superintendent in Jerusalem. In a town of such importance there must always be an officer who can take charge if the District Superintendent is away or assist in an emergency. But we can find no adequate justification for two Deputy District Superintendents in the northern and southern districts. There are only five divisions in the northern and only four in the southern districts; every division is in charge not of a sub-Inspector or even of an Inspector, but of an Assistant District Superintendent; and of these Assistant District Superintendents three in the northern and three in the southern district are British officers. In the Haifa urban division there were in 1930 twenty-eight cases ending in sentences of imprisonment for one year or more. These cases included one unpremeditated murder, five attempts to murder, twelve burglaries, one case of fraud, and one of bribery, three thefts, four cases of illegal possession of property, and one of sodomy. In the Haifa rural division there were only twelve cases in which sentences of a year or more were passed; two were highway robberies, six attempts to murder, one a sexual offence, and the rest thefts. In Acre the total was twenty-two cases of which thirteen resulted in sentences of less than two years. It is obvious that a Deputy District Superintendent is not required for the supervision of these three divisions. We have analysed but need not set out the statistics for the whole district; they are certainly not such as to justify the retention of two Deputy District Superintendents. We recommend that one of these posts be reduced.

There is one Deputy District Superintendent in charge of the Jaffa–Tel Aviv divisions both of which are under British Assistant District Superintendents of Police. In the Jaffa Division there were only fourteen cases in which sentences of more than one year's imprisonment were passed; of these seven were attempts to murder and three were thefts. In Tel-Aviv there were only three such cases; two were thefts and one a case of fraud. We recommend that here, too, one post of Deputy District Superintendent of Police be abolished.

(5) *Assistant District Superintendents (Palestine).*—In each of the districts except Beersheba there is at headquarters an Assistant District Superintendent whose main duty, though he also takes part in the investigation of crime, is to travel round the division and examine the crime registers and the case diaries. From his remarks regarding the inspection of crime registers by Assistant District Superintendents, we infer that Sir Herbert Dowbiggin may have contemplated that these

Assistant District Superintendents should be used for the investigation of difficult cases, but at present examination of the crime registers and case diaries seems to be their main work. This is clearly an indefensible arrangement. As Sir Herbert Dowbiggin has pointed out, the officers in districts should check the crime registers. And it is for the Assistant District Superintendent in charge of a division to examine the case diaries of the investigating officer, at any rate those relating to serious offences; whether he does so or not is open to doubt. Copies of the diaries in important cases should also be sent to headquarters (this is not at present the practice) and examined by the District Superintendent who, if not satisfied with the manner in which the enquiry is proceeding, should send instructions to the division. This is a point to which we attach great importance. It is a grave defect in the present procedure that the District Superintendent of Police receives only a special report and progress reports which cannot enable him to intervene promptly and effectively.* If cases occur, and no doubt there will be some, in which expert assistance is required, the District Superintendent should apply for one of the six Inspectors attached to the C.I.D. We recommend that these four posts be abolished.

(6) *Inspectors.*—In the Beersheba district there are besides the British Inspector, four Palestinian Inspectors. One of these Inspectors is stationed at Auja-Hafir, the second is in charge of the lock-up, the third is employed on investigation, and the fourth has no specific duties but accompanies the Assistant District Superintendent of Police when he is on tour. It can hardly be necessary to retain the last-mentioned officer. It is not clear why the Assistant District Superintendent requires an Inspector to be with him during his tours, but even if it is desirable that he should be so accompanied, the British Inspector could take charge of the lock-up during his absence, thus setting free one of the Palestinian Inspectors.

(7) *Rank and File.*—Excluding the men employed in the Prisons, the authorized establishment for Palestinian Police "other ranks" is 1,466. Of this total 179 are engaged on duties not connected with the detection and prosecution of crime and 129 men are required for the close protection of certain Jewish colonies. If the men in both these categories are deducted the authorized establishment of the rank and file comes to 1,158, but to this must be added 364 Municipal Police whom it is proposed to absorb in the regular force. This gives a total of over 1,500, or about one man for every 620 persons living in Palestine. Sir Herbert Dowbiggin has compared the strength of the Police

*The diaries are sometimes sent to him in cases investigated by the C.I.D. He rarely, if ever, receives the diary of a case investigated by his own police.

force in Palestine with that of Ceylon and has pointed out the very different conditions in the two countries. The comparison, however, need not be confined to Ceylon. There are two provinces in India, the United Provinces and the Punjab, which will perhaps furnish a more searching test. In both these provinces there is an enormous volume of organized crime including anarchical conspiracies; no year is free from communal disturbances; and the difficulties of investigation and prosecution are far greater than they are in Palestine. Yet in the United Provinces there is one policeman* for about every 1,450 persons and in the Punjab one policeman for about every 1,000 persons.† Making every allowance for the peculiar circumstances of Palestine it is hard to resist the conclusion that the strength of the rank and file in Palestine is excessive. We think that if a larger use were made of the British Police it should be possible to reduce the authorized establishment by 150 men. At present the British Police are very little more than a gendarmerie. The men have not enough to do, a fact which probably accounts in part at least for the large number of resignations. It should be possible to employ them more freely for patrols and even traffic control. We do not suggest that any of the Palestinian Police now employed should be discharged. We understand, however, that the actual strength of the Palestinian Police " other ranks " is short by about 140 men of the authorized establishment (for which provision has been made in the Estimates) and also that many of the men in the Municipal Police are not fit for inclusion in the regular force and will have to be discharged and replaced. The reduction which we propose could thus be made by not filling vacancies which at present exist or by not recruiting men to take the place of those who will replace the Municipal Police or in both these ways.

Relations with District Administration.

72. We agree entirely with Sir Herbert Dowbiggin regarding the relations of the District Commissioner to the Police. At present these relations are radically wrong. The District Commissioner, except for action under the Prevention of Crime Ordinance, the Collective Punishments Ordinance, and the licensing of processions, is almost entirely divorced from police work. He inspects police stations, but his inspection is confined to the lock-up and the buildings. He is not concerned with the investigation and prosecution of crime, and any intervention on his part would be resented as

*The reference is, of course, to other ranks.

†These figures are based on the populations recorded at the 1921 Census. If allowance is made for the increase—nearly 10 per cent. for British India as a whole since 1921—the proportions would be substantially smaller.

unauthorized meddling. As Sir Herbert Dowbiggin has said, the District Commissioner is the head of the district; he is responsible for its orderly administration; and as such he should be empowered to give instructions to any Police Officer in his district on any matter connected with the prosecution and investigation and detection of crime or the preservation of order. He should at least once a year inspect each police division in his district, examine the crime registers and any other relevant papers, and record his observations regarding the work of the Police. He should be kept fully and promptly informed of all cases of grave crime, and he should send for the diaries in any case about the handling of which he may wish to satisfy himself. If the District Superintendent considers that the accused in any case should have been committed or has been wrongly acquitted, he should send copies of the depositions to the District Commissioner, and it should be for the District Commissioner, if he takes the same view, to move the Attorney-General to order a committal or to file an appeal. The relations of the Assistant District Commissioner to the Police within his area should be the same. He should have precisely the same powers and responsibilities. The District Officer should inspect the police stations in his district, and he should bring to the notice of the District Commissioner or the Assistant District Commissioner any complaints against the police which are made to him by the villagers during his tours.

Liaison with other Departments.

73. It is important that the police in prosecuting a case in which another department is concerned should keep in touch with the latter. The absence at a hearing of a representative of the other department may seriously prejudice the chance of success. This is so obvious that if we refer to the point it is only because the Post Office Department drew our attention to a case in which no notice of the date of hearing was given to them by the police and accordingly no Post Office official was deputed to attend the Court.

Examination in law.

74. Officers in the Police Department have not been required to pass an examination in law. We think that the Government should now insist on their doing so. It is clearly essential that they should possess a sound knowledge of criminal law and procedure, and at present by no means all of them have this essential qualification. One District Superintendent complained to us of the difficulty of obtaining legal advice, but it ought to be rarely necessary for an officer of his standing to seek such advice, and cases that have come before the Courts or the Attorney-General show that the law of evidence at any rate is not well understood.

Mukhtars.

75. It is generally agreed that the Mukhtar is harried by the various departments which call on him for assistance, but that in this respect the Police are the chief offenders. The Mukhtar is required to report all crimes and to assist the Police so far as he can when they visit the village to enquire into an offence ; but he ought not to be summoned to the police station and it is not his business to find the criminal. Unless the Police can be induced or compelled to treat the Mukhtar with consideration, it will become more and more difficult to obtain a good man for the post. The Assistant District Commissioners and the District Officers should regard this as one of the matters to be looked into carefully during their tours and any abuse of authority detected should be brought at once to the notice of the District Commissioner.

Confessions.

76. At present confessions made to Police officers can be proved in Court. In our opinion this is open to two grave objections. The Police are tempted to allege a confession even when none has been made, and they are encouraged to rely on confessions and to neglect to obtain all the evidence which a more searching enquiry would have yielded. We are informed that confessions can be and sometimes are recorded before a Magistrate, though we have been unable to trace in the ordinances any section authorizing this. We recommend that in the new Criminal Procedure Code, which is so badly needed, provision should be made for the recording of confessions by Magistrates who should be required to certify that the confession was, to the best of their belief, voluntarily made. And in any case since the Police can even now take a confessing prisoner to a Magistrate, we can see no good reason for retaining the present law, which is undoubtedly open to grave abuse and not conducive to good investigation.

Petty offences.

77. Sir Herbert Dowbiggin has suggested that the police should not be required to investigate petty offences. It is impossible to define petty offences, but now that a modern penal code is available, offences can be classified as cognizable by the police, or non-cognizable, as they are in the Indian Criminal Procedure Code. They might also, with advantage, be classified as compoundable, with or without the sanction of the Court, and non-compoundable. This would probably result in many petty offences being compounded to the relief of the Courts which now have to try them.

Ordinance for preliminary examination of Witnesses.

78. We share the dislike of Sir Herbert Dowbiggin to Section 4 of the Ordinance for the preliminary examination of witnesses

under which a Magistrate can commit for trial by the District Court a person whose evidence differs materially from his statement to the Police. It is defended on the ground that the delays in the recording of evidence by the Magistrates would, if there were no such provision of law, enable the accused to induce witnesses to go back on their statements to the Police. If our proposal regarding the appointment of three Chief Magistrates is accepted, these delays will no longer occur. In any case all that is necessary is the enactment of a section corresponding to Section 164 of the Indian Criminal Procedure Code under which a Magistrate can record a statement made before the commencement of the magisterial enquiry.

Annual Report.

79. The annual report for 1930 is not an illuminating document. It is impossible from a perusal of its pages to arrive at any conclusion regarding the working of the department. The Commandant should submit for each year a report which will enable the Government to judge how far the Police have been successful in the prevention, detection, and prosecution of crime, and what reforms in methods, procedure, or organization are needed. The Government should prescribe the form, contents, and size of the report.

CHAPTER 9.—IMMIGRATION.

Cost and Revenue.

80. The following table shows that the Immigration Section, which collected a revenue from fees more than double its expenditure in 1926, now involves a net loss to the Government of about £4,000 a year :—

Year.	*Expenditure.*	*Revenue.*			
		Passports.	*Naturalization.*	*Immigrants.*	*Total.*
	£P.				
1926–27 ..	13,907	11,113	2,279	15,197	28,589
1928 ..	18,660	7,183	1,611	3,960	12,754
1929 ..	18,084	6,683	1,939	6,097	14,719
1930 ..	17,883	6,530	690	6,315	13,535
1931 (Estd.)	20,142	7,000	1,000	6,000	14,000

A branch office of the Section was open at Warsaw during the years 1926–27 and 1928 and accounted for £1,567 and £1,348 of the expenditure in those years respectively. It was then closed but there is a proposal to reopen it, and the Estimates for 1931 include £1,210 on this account.

81. The fall in revenue from passports is due to the decrease in the number of applications for them ; that in the receipts from naturalization certificates to the reduction of the fee in 1926 from £1 to 10s.

and to the fact that applications for Palestinian nationality from former Turkish subjects ceased to be received after 1929; and that in immigrants' fees to the reduced number of immigrants. The following figures show the approximate distribution of the expenditure of the Section according to its various functions:

	1930.	1931. *Estimates.*
	£P	£P.
Passport	4,833	5,381
Naturalization	3,304	2,586
Immigration	9,081	10,135
Labour	665	830
	£P.17,883	£P.18,932

It will be seen that only the passport work yields a profit. We have accordingly considered whether the time has not come to revise the fees chargeable to applicants for naturalization and to immigrants. We think that the naturalization fee, which is payable as to one half on application and as to the other half when the certificate is granted, might be raised to its former rate of £1. A charge of £1 cannot be regarded as excessive nor is it likely to affect the number of applicants. Very many are persons who are about to proceed abroad and are anxious to secure the protection there that Palestinian nationality confers.

The fees charged to immigrants (with certain exemptions) are £1 in the case of adults and 200 mils for each child. We do not think that these fees can well be raised.

Headquarters Staff.

82. The senior staff at headquarters is as follows:

1 Chief Immigration Officer (Grade F);

Immigration branch:—

1 Assistant Chief Immigration Officer (S.S.2.*) in charge;

1 Inspector (S.S.3) for Police cases and secret work; and

1 Inspector (S.S.3) for Accounts and other duties;

Nationality and Labour branch (including Passports):—

1 Senior Inspector (S.S.2) in charge;

1 Inspector (S.S.3) who acts as Passport Officer.

There are three other Inspectors (S.S.3), one being in charge of each of the offices of the Section at Jaffa, Haifa, and Kantara.

*i.e., Class 2 of the Senior Service.

We do not think that three senior officers are needed for the work of the Immigration branch and recommend that one of the posts for Inspector be abolished. We also recommend, in our detailed report on some of the clerical staff, that two clerks should be saved at headquarters. Apart from these reductions we do not think that the staff of the Section is excessive for the duties that are entrusted to it.

Branch Office at Warsaw.

83. The Estimates for 1931 provide, as has already been mentioned, for the reopening of the branch office at Warsaw at a total cost of £1,210. This sum is to meet the cost of a British Assistant Passport Officer (S.S.2) and clerical staff. During the last seven years about 36 per cent., on the average, of the Jews immigrating to Palestine have come from Poland and it is urged that it is desirable that the Palestine Government should again have a representative in Warsaw who can assist in the selection of suitable immigrants and control the grant of passports and visas. Since the office in Warsaw was closed this work has been entrusted to the British Passport Control Officer, who is on the staff of the British Consul there. It is said, however, that it is not possible for him to scrutinize closely the applications for visas to Palestine from residents in Eastern Europe outside Warsaw, and that in consequence there has been a continuous influx of persons who were either of an undesirable type or not eligible for admission under the regulations.

84. When the office at Warsaw was open there was a profit, derived from visa fees, of about £9,000 in 1925, and of £1,250 in 1926. Losses of nearly £1,000 were, however, incurred in 1927 and 1928. The Chief Immigration Officer estimates that on the basis of the present rate of immigration from Poland the revenue from visa fees would be about £1,900 a year, as compared with an estimated expenditure of £1,210. These fees are at present paid to the Foreign Office and arrangements would have to be made for them to be credited to the Palestine Government as in the years when the office was open.

85. We doubt whether the re-establishment of the office in Warsaw would do much to check the influx of undesirable immigrants. It is admitted that a communist bent on entering Palestine can usually, in one way or another, evade the regulations, though his presence in Palestine may later on be detected. It is difficult, too, to believe that a single officer stationed at Warsaw could enquire closely into the antecedents and character of persons residing in places distant from Warsaw. Moreover, the future scale of Jewish immigration is at the moment uncertain.

Frontier Control.

86. It is impossible to patrol the whole of the frontier, but there are posts at Ras-el-Nakoura on the coast road from Beirut, at Rosh Pina on the road from Damascus, and at Samakh on the railway from

Damascus. At Ras-el-Nakoura the examination of immigrants as well as of goods is carried out by the police ; but owing to constant changes in the personnel of the station this arrangement has not worked well. We shall later suggest that the Customs officers, whose appointment at this place we recommend, should also be responsible for the control of immigration ; if this is accepted no special staff will be needed. At Rosh Pina it is proposed to substitute two clerks of the Immigration Section for the one constable now in charge. We think that here, too, the Customs officers may be able to take over the work. At present control on the railway to Samakh is carried out by two clerks who travel every day from Haifa, and it is proposed to build accommodation for them at Samakh. The building programme contains many other minor projects, not all of which can be started at once, and we suggest that this work, if approved, should not be put in hand until its place on the list has been settled.

Unemployment Statistics.

87. The Labour branch of the Section collects statistics monthly (mainly for the International Labour Office at Geneva) of wage rates, unemployment, industrial accidents, and industrial disputes. The question of obtaining more accurate figures of unemployment was discussed in Sir John Hope Simpson's report,* in relation primarily to the control of immigration ; he suggested the establishment in the towns of Government labour exchanges.

We regret that we do not feel able to support this suggestion. Unemployed townsmen would doubtless be quite ready to register their names at the exchanges, but there is no means of ensuring that they would inform the exchanges when they obtained work, and it is highly probable that many would omit to do so. Moreover, applications for registration could be manipulated for political purposes. The same objections apply to a proposal made by the Immigration Section that unofficial registers of unemployed should be kept in the offices of the Section at Jerusalem, Jaffa, and Haifa.

88. In any case neither labour exchanges nor unofficial registers, which could only be maintained in the towns, would reveal the extent of unemployment in the country as a whole ; and the Immigration Section have therefore suggested the appointment of three Labour Investigation Officers (S.S.3) whose duty it would be to tour throughout Palestine. This proposal, too, we are unable to support. The main object for which figures of unemployment are required is the determination half-yearly of the number of Jewish immigrants to be admitted under the Labour Schedule, and we think that such information as it is possible to obtain for this purpose can be supplied by the officers of the District Administration for the rural areas and small towns, and by the Immigration Officers for Jerusalem, Jaffa, and Haifa. It is true that the Administrative Officers and the police are at present required to send in reports for the rural areas,

* Cmd. 3686.

and that those hitherto submitted have not been of much value. It is not strange that the police have not been of much assistance ; they have neither the time nor the aptitude for work of this kind. But if the Administrative Officers, too, have not been very helpful, this is probably because the instructions issued were not sufficiently detailed and stringent. A District Officer who is constantly on tour ought not to find it difficult to estimate roughly the volume of unemployment in his out-district. The Government can never hope to obtain, nor is it necessary that it should receive, an exact return of the number of unemployed persons in a particular month. What it requires to know is whether the unemployment is large or inconsiderable and whether it is increasing or decreasing, and this information the District Officers should be able to supply. In order to ensure that they take an interest in this part of their work, we suggest that they be required to include in their tour diaries a note on unemployment for every village visited.

Section to be separate Department.

89. At present the Immigration Section is treated for the purposes of the Estimates as a branch of the Department of Police and Prisons. There is no valid reason for continuing this practice. The Commandant of Police exercises no control, and any references to police records that may be necessary (e.g., about the exclusion of undesirable immigrants or the grant of Palestinian nationality) can equally be made by an independent department. We recommend that the Section should become a separate department, on the clear understanding, however, that the change shall not involve any alteration in the status and numbers of the present staff.

CHAPTER 10.—AGRICULTURE, VETERINARY AND FOREST SERVICES.

Organization.

90. The present Director of Agriculture was entrusted in 1920 with the development and control of agriculture, veterinary, and forestry services. In the circumstances of the time this was a reasonable arrangement. Personnel and equipment were both very limited and only very restricted operations were possible. In the years that followed these three services expanded and subdepartments under senior British officers were added, until the department came to comprise agricultural, horticultural, entomological, veterinary, irrigation, stock breeding, forest, sericultural, soil survey, and fisheries services.

91. It is now proposed to split up this composite department into three departments :—

(i) Agriculture. This department will include, besides agriculture in the narrower sense, entomology, horticulture, and irrigation ;

(ii) Animal husbandry, including stock-breeding and fisheries services ; and

(iii) Forestry, including sericulture.

Each of these departments is to rank as a minor department and is to be under a Director in Grade " D," and in the case of the Animal Husbandry and Forest Departments an Assistant Director in Class I.

92. We think this is a sound scheme. It is clearly impossible for one man to supervise adequately all the departments for which the present Director is responsible. We have, however, two suggestions to offer. (i) The Director of Agriculture contends that in Palestine irrigation is an agricultural rather than an engineering problem. The Irrigation Officer does not profess to be, and does not need to be, an expert in irrigation engineering. His main task is to determine what crops are to be sown on land under irrigation, the rotation to be followed, the optimum duty of water, and the best means of preparing land for cultivation. The Public Works Department are quite competent to construct the channels, distributaries, and other works required. We think that this contention over-emphasizes one aspect of the work of the Irrigation Officer, who must have some experience of irrigation engineering. It is a fact, however, that his task is very different from that of the irrigation engineers of India and Egypt, and in normal circumstances, therefore, we should not regard it as essential that the irrigation service should be detached from the Agricultural Department. But the position will be altered if a Development Commission is appointed. Irrigation will play such a large part in the work of this body that the irrigation service must be entirely under its control. (ii) The officers whom it is proposed to appoint as Assistant Directors will not have any functions other than those which at present they discharge. They are to be given the rank and pay of Class I simply because they are the officers who will act as heads of departments in the absence on leave of the Directors. We cannot agree that this justifies an alteration in their status and emoluments. If our view on this point is accepted, the cost of the three new departments will, on the means of the salaries, be £P.1,200 per annum less than that of the present composite department.

Agriculture.

93. So far as the Jewish colonies are concerned the provision for demonstration and instruction is ample.* The extension

*The whole cost of this is met from Jewish sources.

division of the Tel-Aviv station has not only demonstration fields, but nine District Inspectors under a Chief of Division. Until quite recently, however, very little had been done for the fellahin. The improvement of the fellah's farm must inevitably be a slow process, but in time much can be effected by better seed, good rotation, diversification, green manuring, and stouter plough cattle. It is unfortunate that the system of demonstration plots at one time initiated was abandoned because the cultivators could not afford to pay for the implements required. It has, however, since been revived, and at present there are eighteen plots for demonstrating crop rotation and better methods of cultivation, sixteen seed farms, fourteen village nurseries, and nine vegetable plots. The department has also a few pedigree stud bulls, and has distributed ten cross-bred bulls which are popular with the cultivators. But much yet remains to be done. There is a keen demand, which in the long run it will pay to meet, for more demonstration plots, seed farms, and nurseries, and for the extension of the stock-breeding services. The poultry farm at the Acre station distributes every year hundreds of cockerels but almost entirely to Jewish villages which can pay the price demanded. A larger distribution to Arab villages would be of great benefit to the hill areas, and the initial loss would eventually be more than covered by the increased receipts from taxation.

Irrigation.

94. Sir John Hope Simpson's report contains a full account of the important sources of water supply. Since then preliminary schemes for the Beisan, Jericho and Wadi Farah areas have been prepared. The Irrigation Officer and the Public Works Department have also examined the scheme submitted by the Palestine Electric Corporation. Their report indicates that this scheme, while generally sound, is far from complete ; it does not apparently provide for the irrigation of the basin lying east and immediately west of the railway and largely owned by Arabs. We understand that discussions on the subject are proceeding between the Government and the Company. Boring plant has been ordered by the Public Works Department, and it will soon be possible to ascertain whether there is an artesian supply of good water in the Beersheba region.

95. The Estimates for 1931 contain provision for the appointment of an Inspector and Assistant Inspector. It is intended that these officers should carry out a systematic investigation of the underground water supply in the orange belt in the coastal plain, and also of the spring waters ; and reorganize, by improving the design of channels and outlets, the distribution of water. We agree that the Irrigation Officer needs assistance ; there is clearly much more work than a single officer can undertake. But we suggest that no

appointments should be made until the proposed Development Commission is established, and that it should be left to the Commission to determine what additional staff is required and on what work it should be employed.

96. Sir John Hope Simpson's report refers to the employment of the Irrigation Officer during a considerable part of 1930 on the locust campaign. The Department of Agriculture has dealt most successfully with the invasion of locusts—that is, in fact, one of its outstanding achievements—and we are therefore reluctant to criticize its procedure. But, in our opinion, the employment for this purpose of an Agricultural Officer is quite unnecessary. The practice at present when a campaign against locusts has to be undertaken is to appoint a commission consisting of an Agricultural Officer, who is in general charge, an Area Officer, and a Police Officer. This would be a reasonable arrangement if it were essential that the operations should be directed by an officer with technical knowledge. That this is not so is clear from the fact that in one part of the country the officer in charge of the campaign was the Marine Biologist. It is of course for the Director of Agriculture to issue instructions as to the means to be adopted for destroying the locusts, to supply the machines or tools required, and to exercise a general supervision. But there is no reason why he should employ any agency other than that of the District Administration. Administrative Officers are now quite familiar with the methods to be employed, there are standing instructions which are well understood by them, and they alone can mobilize the villagers whose co-operation is indispensable. If operations have to be carried out in more than one part of the country there should be no difficulty in arranging for co-operation between the officers in charge in the various areas affected. Each Administrative Officer can send reports to the Director who can also, in a country in which every place can be reached in a few hours, satisfy himself by visits in person that his instructions are being carried out. In Trans-Jordan last year a campaign against locusts, in which as many as seventy-four thousand persons were at one time employed, was carried out most successfully under the direction of an Administrative Officer.

Horticulture.

97. The Horticultural service includes a Chief Horticultural Officer, a Senior Horticultural Officer, two Superintendents for the experimental stations at Jerusalem and Jericho, and three Fruit Inspectors. The Chief Horticultural Officer, apart from general control, is engaged mainly on work connected with orange and citrus fruits, including the arrangements for inspection and export of such fruits from Jaffa and Haifa. The Senior Horticultural Officer supervises horticultural stations and studies and advises on deciduous fruit in the hill country.

The Estimates of 1931 provide for—

(i) two additional Superintendents at £605 per annum for the two small stations at Acre and Beisan, where part of the farms is being devoted to horticulture ;

(ii) two Horticultural Assistants each at a pay of £180 per annum, who will be employed on demonstrations in the villages ; and

(iii) four Fruit Inspectors each at £15 per mensem who will be engaged for six months in each year for the inspection of fruit at railway stations ; and a small increase of £60 per annum for packing inspectors.

We agree that these additional appointments are justified. The orange industry is the largest and most promising in the country, and it would be false economy to stint money on measures likely to promote its development ; moreover, the fruit service is practically self-supporting ; fees and the contribution from the Empire Marketing Board cover the cost. Deciduous fruits are an important part of the agricultural production ; the encouragement of small plantations in the hill areas is most desirable as a means of developing the fellah's farm, which is usually far too dependent on a single crop.

Research.

98. Sir John Hope Simpson drew attention to the danger of the Government services overlapping those supported by Jewish agencies and the Hebrew University. During the last four years this matter has been studied by a committee of experts and a programme providing for the allocation of the various branches of research to Government officers and non-official bodies has been drawn up and is now being examined by the General Agricultural Council which has been established this year. We have seen the reports prepared for the Council and, except in respect of agricultural chemistry, we can find no reason for dissenting from their programme. The primary function of the Agricultural Chemist (and his two assistants) is said to be the conduct of a detailed soil survey which is to serve as a basis for a graduated land tax. For fiscal purposes such a survey in our judgment is quite unnecessary. In India the classification of soils is an important part of the data on which the Settlement Officer bases his assessment ; but the soils are those recognized by the cultivators, and all revenue officers are agreed that a more refined classification based on chemical analysis would yield no better results. The fiscal survey now in progress is being conducted on much the same lines. The land is divided into blocks each containing land which is regarded by the villagers as of uniform quality. We have no doubt whatever that this is the right procedure. It is true that the duties of the Agricultural Chemist also include the organization of comparative fertilizer tests, the

study of local rock phosphates, experiments in the preparation of artificial farm manures, and the investigation of chlorosis. But we have little doubt that the Hebrew University would be willing to take over these investigations in return for a contribution that would be substantially less than the salaries of the Agricultural Chemist and his assistants.

Animal Husbandry.

99. The Department of Animal Husbandry will include laboratory, stock-breeding, and fisheries services.

The veterinary field service has six Veterinary and six Assistant Veterinary Officers and three Stock Inspectors. We do not consider that this is an excessive staff. Cattle plague has been eradicated—a notable achievement—but there is always the danger of re-infection from Syria; foot-and-mouth disease broke out last year, and the Veterinary Officers are now engaged in a campaign against contagious abortion. They have other duties, too, such as inspection of slaughter houses and the treatment of Government animals. It is possible, however, that money might be saved both on rent and establishment by amalgamating the medical and veterinary laboratories. On the scientific side there is no difficulty; the staff of the medical laboratory is quite competent to carry out the work done in the veterinary laboratory, although it would probably need strengthening, and there is ample accommodation in the laboratory at Jerusalem. The matter is not one on which we are in a position to make a definite recommendation. A fuller enquiry than we have been able to make might reveal objections not immediately apparent. But we suggest that it be examined by the Government.

100. In 1930, £270 was spent by the laboratory on experimental tests on animals infected with contagious abortion, and in the Estimates for 1931 a sum of £790 is provided for the same purpose. The cattle which suffer from this disease are the pure-bred and cross-bred cows of the Jewish colonies, and the Jewish Agency and the Palestine Jewish Colonization Association were therefore asked to make a contribution towards the cost of the experiments. The Palestine Jewish Colonization Association have agreed to contribute £100; the Jewish Agency states that it is unable to pay anything. While the present financial position of the Agency is not known to us, there is reason to believe that its income has suffered by the world-wide trade depression and we think that in the circumstances the Government must meet the cost. In this connexion it must be remembered that the fees realized by the Veterinary Department will amount in 1931 to £10,000.

101. The post of Manager of the stock farm, which carries a salary of £1,000 per annum, was abolished this year and the farm will in future be run by one of the Veterinary Officers. The expenditure on

other items will be £2,900 per annum and the revenue is expected to be £1,000. There is clearly no room for any further reduction and, as already mentioned, the purchase of more pedigree stock and the wider distribution of poultry is very desirable. It might be as well to sell the few Arab stallions which have not succumbed to dourine. There is no urgent need to improve the local breed of horses which is hardy and quite up to the work for which it is used. Moreover, stallions of an excellent and sturdier type can if necessary, e.g., for the breeding of police horses, be obtained locally; we saw one in the Trans-Jordan Frontier Force.

Fisheries.

102. The Fisheries Service staff consists of a Chief Fisheries Officer, Class 2, two Fisheries Officers, Grade II, a laboratory assistant, Grade II, one clerk, a mechanic and two seamen for the patrol boat. We recommend the abolition of this service. The staff is quite inadequate for the work it is supposed to carry out, namely, the supervision of the coast-line and lakes. We do not believe that it has been able to check to any important extent the use of dynamite and of small meshed nets. There is no evidence that the supply of fish was falling off before 1927 when the service was established or that it will suffer if the attempt to control the fisheries is abandoned. It has been suggested that the development of the Haifa harbour will lead to a marked expansion of the local industry but there are no definite grounds for believing that this will happen. The seaworthiness of the patrol boat is open to doubt, but it can probably be utilized by the Customs Department which will require a boat at Haifa when the harbour works there have been completed.

Forest Department.

103. The personnel of the forest service includes :—

1 Chief Forest Officer	..	Technically trained.
1 Senior Forest Officer	..	do. do.
2 Forest Surveyors ..	..	do. do.
10 Forest Rangers ..	..	Untrained.
20 Mounted Forest Guards	..	do.
18 Unmounted Forest Guards		do.
10 Forest Gardeners ..	..	Partially trained.
3 Clerks, Grade III.		
4 Forest Gardeners (Government House grounds).		
1 Messenger.		

The expenditure during 1930 was £P.15,000 and the revenue from licence fees £P.7,900. There are now 202 forest reserves covering an area of 670,000 dunums or 680 square kilometres, and proposals for reserving another 60,000 dunums have been submitted. It is anticipated that eventually the area of the reserves will be between

three and five thousand square kilometres. Working plans have not yet been introduced; the reserves, which are very thinly afforested, are worked under an extensive system of management, which aims at ensuring a constant yield and providing for the requirements of right-holders and industry. There are some 20 nurseries with an annual production of approximately one and one-third million plants, which are planted by the department or sold or issued gratis for amenity purposes.

104. It would be difficult to exaggerate the advantages of afforestation in Palestine. At present the greater part of the water supply is not only wasted but is actually a cause of serious loss. The rain falling on steep slopes erodes soil, gravel, and even stone, which are swept down to valley and plain. The history of the hill country is a record of soil desiccation, denudation, and erosion. Only afforestation can prevent these destructive processes and at the same time ensure a more adequate supply of water. The solution of the problem of a storage of flood waters, it has been said by an American expert, "is not in the retention of a small percentage of the storm waters behind dams but in applying storage over the entire water-shed by the systematic extension of forest and brush covered areas." Moreover, afforestation will enable the country to reduce very greatly its importation of timber and other forest produce for which at present it pays annually over £400,000. It may not be possible to grow in Palestine timber which will compete successfully with the light wood imported from Rumania for orange cases, but large quantities of timber of kinds that can be grown are required for other purposes.

105. There can be no doubt, therefore, that afforestation is a highly remunerative investment. At present only £3,000 is being spent on it and at this rate it will take a century to afforest 3,000 square kilometres. If the staff were increased by two senior officers and a small sum provided for incidental expenditure it would be possible to spend between £20,000 and £30,000 annually on afforestation. It is true that pine which will be planted more widely than any other species does not mature under forty years, but eucalyptus can be cut after ten years and the sales would yield a substantial sum; and the erosion of the soil will be checked at a very early stage of the growth of the trees. We recommend that, if possible, the provision for afforestation be increased to £13,000 per annum.

106. The Forest Department gives away seedlings from its nurseries, if they are required for "amenity purposes," *e.g.*, for planting along the sides of roads. It neither gives nor sells young trees for the afforesting of land. This practice is defended on the ground that Government have undertaken not to compete with private nurseries. As Sir John Hope Simpson has pointed out, free distribution to the fellahin would not involve undue or indeed any competition with private enterprise since the fellahin cannot pay the price asked for by the nurseries; and it would certainly be of greater benefit to the

country than distribution for "amenity purposes." We recommend that any young trees not required by the department for its own operations should be sold at a nominal price or given away to small cultivators who are unable to buy from private nurseries.

107. Licences are issued by forest rangers. These men who are low-paid subordinates are not under any real supervision. They have great opportunities for extortion and we are unable to believe that these opportunities are not exploited. We think that licences should as far as possible be issued by the sub-district office where rangers should attend on dates to be settled with the District Officer. The Forest Department consider that this procedure would be difficult to work. We are not convinced that their objections are sound and we note that during the last locust campaign licences were issued by District Officers. If, however, our suggestion is not found to be practicable, it should at any rate be one of the duties of the District Officer to supervise this part of the work of the rangers. He will have no difficulty in finding out during his tours in the villages the rangers who are guilty of malpractices and the punishment of even one or two men will have a very salutary effect on the others.

Sericulture.

108. The Advisory Committee on Silk Production of the Imperial Institute have congratulated the Government of Palestine on the progress which has been achieved in sericulture. They consider that this progress is largely due to the experiments organized by the Sericulture Officer and to the arrangements made by him for the propagation of mulberry trees in nurseries. The present market prices for cocoons and silk are exceedingly low but as in the case of other primary products are not likely to remain for long at the present level, and the committee consider that the Government of Palestine would be well advised to use every effort for the encouragement and development of the silk industry. We agree that increased expenditure on this service is desirable. At present the sericulture section has only one officer, and the provision for experimental work was only £450 in 1930. The grant for experimental work might be increased.

CHAPTER 11.—HEALTH.

Hospitals and Clinics.

109. There are few countries—certainly none in the near or far East—where in proportion to the population as many hospitals and clinics are provided by private bodies as in Palestine. There are twenty-eight hospitals maintained by Jewish, Christian, and foreign

bodies ; twelve in Jerusalem, four in Jaffa and Tel-Aviv, three in Haifa, two in Nazareth, and one each at Bethlehem, Hebron, Gaza, Nablus, Tiberias, Safad, and Ain Harod, and forty-one private dispensaries or clinics attached to the hospitals or separate institutions. The admissions to the hospitals were 29,948 in 1929, of whom 16,542 were treated in Jewish, 6,789 in British, 3,280 in French, 2,100 in German, and 731 in Italian hospitals. The attendances of the clinics were in the same year 1,032,882. Twenty-nine infant welfare centres were maintained by the Hadassah Medical Organization and local committees, and 11,871 infants were treated in these centres. And, lastly, there are over six hundred licensed doctors engaged in private practice.

110. In these circumstances, the policy of the department has been to provide hospital accommodation for infectious, special, and mental diseases, for Government employees, and where the voluntary hospitals are insufficient for the needs of the population. It maintains Government hospitals at Jerusalem and Haifa and administers and pays the greater part of the cost of the municipal hospitals at Nablus, Jaffa, Gaza, Beersheba, and Acre. It has also provided out-patient clinics at Jerusalem, Ramallah, Hebron, Beersheba, Jaffa, Ramleh, Gaza, Mejdel, Haifa, Acre, Nablus, Tulkarem, Jenin, Beisan, Safad, Nazareth, Tiberias, and Bethlehem, and conducts weekly clinics at Beit Fajjar, Wad Fukm, Auja Hafir, Asluj, Beersheba (for Beduin tribes), Khan Younis, Felluja, Yebna, and Silet el Dabr. In 1929 the attendances at the out-patient clinics were 170,282. Provision is made for infectious diseases by means of annexes or fever wards at Jerusalem, Jaffa, Haifa, Nablus, Acre, and Gaza. There is a hospital for mental diseases with sixty-seven beds at Bethlehem. There are also six ophthalmic clinics, which work in close association with the ophthalmic hospital of the Order of St. John of Jerusalem, at Ramleh, Gaza, Acre, Beersheba, Nablus, and Tulkarem. In 1929 attendances at these clinics were 146,135. For the Government hospital at Jerusalem there is a specialist surgeon who deals with the more difficult surgical cases but whose main duty is the medical care of the British community. For the railways there is a separate medical service consisting of a Senior Medical Officer who also attends the British community at Haifa and a Medical Officer at Kantara. Infant welfare centres have been opened at Jerusalem, Ramleh, Gaza, Hebron, Acre, Beisan, Nablus, Jifna, Halhul, Ramallah, Bethlehem, and Beersheba. The department maintains, too, a school medical service which examined or treated over 15,000 children in 1929 ; for trachoma, children are treated by teachers or school nurses, and in 1929 the attendances for this purpose were 2,033,176.

111. These figures make it clear that for the country as a whole there is no lack of hospitals and clinics. It is admitted, indeed, that the hospital accommodation at Jerusalem is excessive and comparison

of the number of beds and the average admissions shows that in certain other places also, e.g., Bethlehem, Gaza, and Jaffa, it is more than ample. The only places where accommodation for general cases is said to be deficient are Haifa and Tiberias. At Haifa the Hadassah Hospital intends to build a new hospital in place of the building now rented and to reduce the provision for patients. Here, accordingly, the department is considering whether to take over the building now occupied by the Customs Department and make this an annexe to the general hospital, or in the alternative to increase the accommodation in the latter. At Tiberias there is a Scots Mission hospital with sixty beds. A slight redistribution of some of the superfluous beds in Jerusalem would more than meet the needs of both places, but it is said to be difficult to induce the voluntary hospitals to agree to this. While admitting the difficulty, we do not regard the provision of extra accommodation at Haifa and Tiberias as particularly urgent. There are few countries in every part of which the number of beds is entirely adequate. There is a stronger case for some more beds for patients suffering from infectious diseases. The mental hospital at Bethlehem can admit sixty-seven patients ; there are said to be eighty dangerous lunatics at large and plans for a new hospital with one hundred and twenty beds are being prepared. We refer elsewhere to this project. There are sixteen infant welfare centres for Arabs as against twenty-four Jewish centres, but the provision of new centres can proceed only slowly in view of the scarcity of suitable Arab nurses and of the apathy and lack of education of the Arab population.

Health Officers.

112. The larger and more important part of the work of the department is concerned with the prevention of disease and the improvement of the general sanitary and health conditions. There are twenty-seven District Health Officers stationed at the larger towns and at the headquarters of the sub-districts, four Epidemic Officers at Jerusalem, Jaffa, Haifa, and Tel-Aviv, and two Quarantine Officers at Haifa and Jaffa. All these officers are Palestinians and are under the administrative control of four British Senior Medical Officers. There are also (1) a sanitary engineer who would perhaps be more aptly designated the sanitary adviser to the department since he does not carry out and is not qualified to design any large engineering schemes, but examines plans for sanitary installations and fittings, minor sewage and drainage schemes, and the plans for public and other buildings ; and (2) an assistant sanitary engineer who carries out anti-malarial drainage schemes.

Staff.

113. The health department has rendered notable services to the population of Palestine. The full effects of its work on health and longevity will not be statistically demonstrable for some years to

come, but it has undoubtedly reduced very greatly the incidence of malaria from which the country suffered so much in Turkish times. We are reluctant, therefore, to suggest any reduction of its personnel. Nevertheless, the expenditure of a country even on its Health Department must be adjusted to its financial resources, and we think that the staff now maintained is larger than is necessary and could be reduced without any substantial loss of efficiency.

114. In an earlier chapter we have referred to the regulations and procedure under the Trades and Industries Ordinance and have suggested that when the Local Government Ordinance is enacted, the control now exercised by the department should, subject to certain safeguards, be transferred to local bodies. In any case we consider that the inspections under this Ordinance are excessive. In the year 1929 there were 83,648 inspections, 4,466 warning notices, and 1,649 prosecutions. These figures seem to show that in this matter the department is attempting to enforce standards not attainable save in the most advanced countries. We do not doubt that shops and factories are now cleaner and less insanitary than they were ten years ago, but we are more than doubtful whether the results achieved are proportionate to the time and labour expended. It cannot be necessary that in each of the large towns the whole or almost the whole time of a Medical Officer of Health (besides that of Inspectors of whom there are three in Jerusalem, two in Tel-Aviv, and one each in Jaffa and Haifa) should be occupied with the enforcement of this Ordinance. Moreover, some of the work could be delegated to the Municipal Sanitary Surveyors three of whom are experienced British surveyors; in Haifa the Sanitary Surveyor was at one time in sole charge and is admitted to have done very well. And there can be no justification for the retention in addition to the Medical Officers of Health, Inspectors and Sanitary Surveyors, of an Inspector of Trades and Industries for the whole country. We recommend that this appointment be abolished.

115. There are four "epidemics" Medical Officers of Health, one each at Jerusalem, Jaffa, Haifa, and Nablus. The Medical Officer of Health at Haifa is also medical officer of health for the town. The other three posts we do not for the following reasons regard as necessary.

(1) It is admitted that the work of the Epidemics Officer at Jerusalem is normally light. In 1929 and 1930 there was no epidemic of importance in Palestine. It is also admitted that it overlaps that of the Medical Officer of Health in charge of the Jerusalem villages. It is true that the "epidemics" officer does much though not all of the medico-legal work in Jerusalem, but neither this nor attendance on the British police, all picked men in the prime of life, can occupy more than a small part of his time. Moreover, there is at Jerusalem besides the Medical Officer of the town and the Medical Officer of Health for the

neighbouring villages, a Medical Officer of Health for the police and prisons and the schools. As the prison population numbers only four hundred and fifty and the sickness rate is very low, and as school children are examined only once a month, the duties of this officer are clearly very light. We can see no reason why he should not take over those now assigned to the Epidemics Medical Officer of Health.

(2) The duties of the Epidemics Medical Officer of Health at Jaffa are not heavier, indeed, are probably less onerous than those of the Epidemics Medical Officer of Health at Jerusalem, and they equally overlap the work of the Medical Officer of Health for the neighbouring villages. A town of 38,000 people and 29 villages cannot need more than two Medical Officers of Health and a Sanitary Surveyor.

(3) Nablus is a town with a population of 18,356. It is little more than an overgrown village and cannot require the services of more than one Health Officer.

116. The Director proposes to amalgamate the Tiberias and Beisan sub-districts and to transfer an officer to Jaffa who will be in charge of the isolation hospital there which, in future, is to take in patients from Tel-Aviv. We think that the small population of those districts fully justifies their amalgamation but we cannot agree that the Medical Officer thus set free should be transferred to the Jaffa hospital. The Jewish patients in the isolation ward can be looked after by the Jewish Medical Officer of Health in Tel Aviv, and the Arab patients can continue to be attended by the Medical Officer of Health in charge of the general hospital. There will thus, if our recommendations are approved, be twenty-six Medical Officers of Health, a number which can hardly be regarded as insufficient for so small a country.

117. Senior Medical Officers rarely attend cases themselves; they are essentially administrative officers who supervise and control the medical and health services. We are far from desiring to belittle the importance of their work; on the contrary we are convinced that without them the efficiency of the department would rapidly deteriorate. We cannot, however, agree that as many as four such officers are required. If the country were divided into three districts with headquarters at Jerusalem, Jaffa, and Haifa, each Senior Medical Officer would have a charge very much lighter than that for which a single Indian Medical Service officer is responsible in India. Each district would have a population of only about 300,000, and almost every village in it would be accessible by motor car and could be reached in a few hours.

118. We were informed by the Director that most of the time of the Senior Medical Officers is spent in the larger towns. We regard this practice as definitely wrong. The larger part of the population

live outside these towns, and in the rural areas the sanitary conditions are worse and the incidence of malaria and probably of disease in general and infant mortality is higher. Neither the compilation of returns, which are numerous and elaborate, nor the work connected with the Trades and Industries Ordinance should be allowed to prevent the Senior Medical Officers from touring the villages more frequently. We recommend that the Senior Medical Officers be required to spend ordinarily at least half the month on inspections of the villages and smaller towns.

119. A Senior Medical Officer has recently been appointed for epidemic diseases, and it is intended that he should be mainly employed on investigating the causation of tuberculosis and a non-venereal form of syphilis and the measures necessary for reducing their incidence. These investigations are undoubtedly desirable. The question, however, which we have to consider is not whether the appointment of an officer for this purpose is desirable but whether the need for it is so clear that the expenditure must be faced. In our opinion it is not. It is questionable whether the prevalence of tuberculosis will be substantially reduced by a tuberculosis survey. It is, we believe, generally admitted that the decline of tuberculosis in England during the last century is mainly attributable to better housing, food, and sanitation. And there are already two special clinics for the treatment of syphilis.

120. At headquarters there is, besides the Deputy Director, a Senior Medical Officer. The former is in charge of the medical, the latter of the sanitary section. Two senior officers may be required if the procedure laid down in a circular of the 8th February, 1929, regarding the plans of new buildings for trades and industries, is to be retained. This circular requires the Senior Medical Officers to submit to headquarters all such plans in the case of the following trades and industries :—

Cold storage establishments.
Confectionery, sweetmeats, jam, and preserved fruit factories.
Ice-cream factories.
Aerated water factories.
Artificial butter factories.
Factories for the canning, curing, or preserving of meat or fish.
Ice factories.
Pharmacies and drug stores.
Manufacturing chemists and druggists, and manufactories of chemical products.
Crematoria.
Tobacco, tombac, cigarette, or snuff factories.
Hotels and places of public entertainment.

Public baths, bathing premises, and wash-houses.
Breweries, wine presses, and factories of alcohol, vinegar, or other fermented or spirituous liquor, excluding village wine presses of a minor character.
Factories of explosives or of articles containing explosives.
Match factories.
Factories for the manufacture of mineral acids or other chemical products.
Dairies in which milk and cream are prepared for distribution or butter and cheese is manufactured.
Slaughter houses.
Any other establishment or factory employing twelve or more hands.

The Senior Medical Officer in charge of the sanitary section is no better qualified than the Senior Medical Officer of a district to deal with such plans. He is not a specialist but an officer who may at any time revert to a district. He has, however, to examine the plans and submit them to the Director. Decentralization is said to be the policy of the department but this circular is a clear instance of over-centralization. There can be very few plans with which the Senior Medical Officers, who can always consult the Assistant Sanitary Engineer, are not competent to deal. It should be left to their discretion to refer plans to headquarters, or the lists of cases which they must refer should be drastically curtailed.

Apart from the work which this circular involves, we can see no justification for a Senior Medical Officer at headquarters, in addition to the Deputy Director. Far larger staffs are controlled in India by an Inspector-General assisted by one junior officer.

121. If our recommendations are accepted there will be three Senior Medical Officers of districts, a Senior Medical Officer for the Railways, and a Director and a Deputy Director. For leave vacancies, therefore, not more than one Senior Medical Officer will be needed.

122. The Director proposes to promote two Medical Officers from Class 3 to Class 2 and to change their designation to that of Assistant Senior Medical Officer. The reasons given for this proposal are, first, that the officers so promoted will be men who will act for Senior Medical Officers in leave vacancies, and secondly, that it is desirable to provide promotion for specially deserving officers. Neither reason is convincing. Eventually, we have no doubt, Palestinian officers qualified to hold the posts of Senior Medical Officers will be forthcoming, and will be appointed to these posts ; in the meantime there is no need to create special appointments in a grade above that of Class 3. Also, as we have just noted, there will be a Senior Medical Officer for leave vacancies, and even if, as

should rarely happen, more than one such vacancy has to be filled, to change the pay and designation of two Medical Officers will not add to the number qualified to fill them.

123. The Director has recommended that the post of Assistant Director should be placed in Grade F and that the Government Analyst should be promoted to Class 1. We are unable to concur in this recommendation. Our proposals for the revision of the scale of Class 1 will increase the remuneration of the former appointment ; and the pay of the latter compares not unfavourably with the rates of pay elsewhere.

Prosecutions.

124. In the Ramallah sub-district the Medical Officer of Health applied for the prosecution of 788 contraventions during the period 5th August, 1929, to 7th July, 1930, and in consequence 788 persons or more were summoned for trial to the district headquarters. This is an instance of the over-zeal or lack of discretion of subordinate officers to which we have referred in the chapter on District Administration. There cannot in the Ramallah sub-district have been during eleven months nearly 800 contraventions grave enough to justify the issue of summonses and presumably the imposition of fines. Most of the summonses were doubtless applied for on the reports of Inspectors anxious to prove their efficiency. Offences of this kind should be tried on the spot by the District Officer and District Commissioners should bring to the notice of the Senior Medical Officer any tendency on the part of a Medical Officer of Health to prosecute too freely.

CHAPTER 12.—EDUCATION.

125. The schools in Palestine fall into three main groups :—

(1) The Arab public system.
(2) The Jewish public system.
(3) Other schools.

The Arab Public System.

126. The Interim Report of the Indian Statutory Commission in a review of the growth of primary education in India refers to the progressive diminution in the number of pupils from class 1 to classes 4 and 5.

> "The diminution is mainly due to two causes which we shall term wastage and stagnation. By wastage we mean the premature withdrawal of children from school at any stage before the completion of the primary course ; by stagnation we mean the retention in a lower class of a child for more than one year. . . . The losses due to wastage prevent all but a few pupils from becoming literate, but even of this few it is not possible to say with any confidence that many will not rapidly relapse into illiteracy. . . . The explanation of such a relapse is simple. The retention of initial literacy acquired at the early age of ten or eleven depends largely on environment, and the environment of the great majority of Indian pupils who leave school at the primary stage is not

> conducive to such retention. The parents in the village home are usually illiterate. They are too poor to buy books, and attractive vernacular literature and periodicals suitable for children are not available.
>
> "There is evidence that many pupils stagnate in a class for a number of years. The longer a child remains in one class the more he is discouraged, and probably neglected, whilst his continual presence at school not only confers no benefit on himself, but also affects adversely the teaching of the other pupils. . . .
>
> "We have come to the conclusion that the primary schools are so largely ineffective as scarcely to influence the advance of literacy at all in the sense of increasing the proportion of literates to the population. Primary schools with only three classes cannot be expected to affect materially the growth of literacy. . . .
>
> "The Royal Commission on Agriculture commented on the inefficiency of those schools which are staffed by a single teacher. They entirely agree 'with those educational authorities who hold that no primary school can be efficient which has less than two teachers. Unless the school which has at present one teacher can be provided with an additional teacher or converted into a branch school consisting of one or two classes only, with the object of providing teaching for young children until they are old enough to walk to the Central School, it is better closed, for it is both ineffective and extravagant.' On this matter we have consulted a number of experienced witnesses. It may be that in favourable circumstances with a good teacher trained in methods of plural class teaching, a school of this type serves a useful purpose, but we cannot think that there is much promise of effective progress in a system which depends so predominantly on schools of this type. . . .
>
> "Some witnesses while realising the ineffectiveness of the present arrangements have pointed out that even if the existing schools have made little headway against the forces of illiteracy, some advantage has been derived from even a short period of schooling in that parents are at least acquiring a rudimentary habit of sending their children to school which in the course of time may grow into something better, and induce them to keep their children at school longer. The argument is that some school, even a bad school, is better than nothing, as a pioneer pointing the way to ultimate though distant enlightenment. It is true that the usefulness of a school cannot always be judged by what it does when it is first started, and that a school which appears feeble may grow into something better after a period of probation, but in view of the present circumstances of Indian education we do not consider that the argument has any force. There is a grave danger lest the continuance of almost valueless schooling, such as the children receive in the majority of the single-teacher schools, will convert the parents into active opponents of education, and that apathy will become opposition. . . .
>
> "It is fortunate that the unremunerative character of a policy of diffusion as opposed to consolidation and improvement has now been recognized in most provinces."

127. These observations are hardly less applicable to the Arab rural primary schools in Palestine. The reports for 1928–29 and 1929–30 state that the percentage of boys completing the preparatory class who completed the succeeding classes was as follows :—

	Preparatory.	*1st Class.*	*2nd Class.*	*3rd Class.*	*4th Class.*	*5th Class.*	*6th Class.*
1928–29	100	54	36	19	7	2·5	0·5
1929–30	100	53	39	23	6	2	·07

Out of 253 schools 32 have not opened a second class and most of these 32 schools have been in existence for 10 or more years. Of the schools which have second classes 142 have no third class. 204 schools have only a single teacher. The proportion of pupils who are found unfit for promotion and repeat the classes is also very high. In the report for 1929–30 the percentages for each class are shown as :—

Preparatory.	1*st* *Class.*	2*nd* *Class.*	3*rd* *Class.*
13·5	15·5	16·6	12·2

but it is believed that in the preparatory class the percentage is really much higher and ranges between thirty and fifty. As the conditions in the rural areas of Palestine are much the same as those described in the quotation given above from the Interim Report of the Indian Statutory Commission, it is clear that the wastage is very great and that much of the expenditure is simply money thrown away. And the explanation is to be found in the adoption of the same mistaken policy as was pursued in India. In the early years of the Civil Government, schools were opened in a large number of villages in the belief that because the villagers were willing to provide a building or asked for a school they would be able and willing to keep their boys at school till the completion of at least the first cycle of primary education. As in India, however, the villagers whilst willing to allow their boys to attend school so long as they could not be usefully employed in the fields have only too often withdrawn them as soon as their labour was needed.

128. The town schools as might be expected make a better showing. In 1928 sixty-five per cent. completed the third class and forty-six per cent. the fourth class, and in 1929 these percentages had risen to seventy and fifty-seven. And in general the number of teachers is adequate ; on the average there is a teacher for each section. In the towns there is, in fact, a demand for education and in 1929-30 over two thousand applications for admission had to be refused. In the villages the demand is frequently fictitious or at least evanescent. The fellahin believe vaguely that a school is a good thing, but their enthusiasm soon wanes and their economic circumstances tempt or compel them to use child labour.

129. The department claims to be following a policy of concentration rather than of expansion ; five schools were closed last year and the total number of schools is a little less than in 1925. But the only schools closed have been those in which the total attendance was very small or the buildings had been condemned by the Health Department. If the waste of money which the figures given above reveal is to be stopped, more radical measures are needed. There can be no justification for retaining schools which after many years have failed to develop a second class. Such schools should be

closed and their teachers transferred to schools which offer a better field for their services. We hesitate to recommend that the same course should be followed in the case of the schools which are unable to open a third class, though it is very doubtful whether in rural areas an education that stops short of the third class is of any real value. We suggest, however, that the department should take steps through its Inspectors to test the literacy of pupils who have left school after completing the second class, and that if it is found that they have after a few years relapsed into illiteracy, such schools also should be closed. The coming census might also be utilized for this purpose. There will be no difficulty in absorbing the teachers in other schools. In any case no new schools should be opened for the present in rural areas, and any money that becomes available should be spent on additional teachers until every school (other than very small branch schools) has at least two teachers. The department might also experiment with branch schools, that is, schools which act as feeders to larger schools. The villagers are said to be reluctant to join in providing and using a single central school, but they might in some cases, if an adequately staffed central school is opened, be willing to let their children go there in order to complete their education.

130. It is of the utmost importance that the teachers of rural schools should be men who are interested in the life of the village and content to live in it. Townsmen who despise the villager and regard a village as a place of exile will not, however technically competent, be an influence for good. They will do nothing to promote agriculture or co-operative credit societies. At the Kadoorie Agricultural School there are at present 15 teachers who are being trained in agriculture. The course lasts one year. It is hoped that these teachers will help to introduce modern methods of cultivation in the schools and adjoining villages. But what is required is a combined secondary and agricultural training for all the candidates for appointment as rural teachers and it is possible that in a few years this can be provided. At the Kadoorie School there are two courses, a junior of one year and a senior of three years. There are ten students in the former and thirty in the latter. The Education Department believe—and we share their belief—that most of these students have entered the school with the object of obtaining employment under the Government. If this is so, there will before long be a great falling off in the number of applicants for admission since it is certain that the Agricultural Department cannot offer posts to more than a few men. Most of the accommodation could then be made available for boys from village schools who, after completing their elementary education at the local school, would be put through a modified secondary course combined with agricultural training and instruction in pedagogy and extending over a period of four years. In this way the rural schools could gradually be staffed with teachers who would be a most valuable element in the life of the villages.

131. There are twenty-nine girls' schools of which all except eight are in the towns with an attendance of 4,782 pupils. The only employments open to Moslem women are the teaching profession, nursing, and midwifery, and very few elect to follow the two latter. Most parents are inclined to remove their girls as soon as they can read, write and sew, and in consequence only twenty per cent. pass into the higher elementary classes. Still, the percentage reaching class 3 is forty-five which compares favourably with the corresponding figure for boys' rural schools. We consider that in view of the traditional Moslem attitude towards female education, the results so far attained are very encouraging and reflect great credit on the department.

132. In secondary education the department has quite rightly sought to supplement the work of private enterprise rather than to cover the whole field. It maintains twelve schools with secondary classes and one of these, the Arab College, gives a full secondary course. Students who desire to obtain a university education usually enter the Beirut University. This University has a good medical school, but the engineering and agricultural schools lack facilities for practical instruction, and the standard on the arts side is not high. The department has instituted a Board of Higher Studies which has established Intermediate and Diploma examinations which are of pass B.A. and pass B.Sc. standard and a few candidates are prepared for these examinations in the Jerusalem Girls' College and in the Scots College at Safad. Other missionary institutions show some tendency to develop post-matriculation classes and by encouraging this tendency and adding similar classes to Government schools it would be possible to provide an education on the arts side superior perhaps to that given at present in Beirut. This is certainly the only practicable means of providing post-secondary education in Palestine itself. It cannot be said, however, that there is any urgent need for increased expenditure in this direction. The Beirut University is popular ; its standard of instruction is improving ; and in the sphere of social and corporate activities it can offer more to its students than any of the small Palestinian colleges or schools. The need for a good training in engineering and agriculture can be met by scholarships tenable in England such as the Education Department has already given to some candidates for the teaching profession.

133. The staff of Inspectors in the Arab section is large. There are besides the Chief Inspectors five District Inspectors whose duties are partly administrative and partly the inspection of elementary classes, four Assistant Inspectors who visit rural schools, and four Inspectors stationed at headquarters who are specialists in certain subjects. There is also a Superintendent of Physical Training and a Supervisor of Gardens. We do not see our way, however, to suggesting any reduction. The large number of Inspectors is necessary because so many of the teachers are untrained or poorly qualified and

it will take many years to overcome these defects. But we think that, if possible, District Inspectors ought to be relieved of some of the correspondence that now passes through their offices, thus making more time available for inspections ; the number of letters for each school appears to be about one hundred and thirty per annum.

The Jewish Public System.

134. The Jewish public system includes all the schools controlled by the Palestine Zionist Executive. These schools are divided into three groups ; General, Mizrahi (Orthodox), and Labour, each with more or less distinctive courses of study, whilst the Labour group is under a separate administration not directly controlled by the Palestine Zionist Executive. Cutting across this grouping there is another division, based on the source from which a school derives its income, into four categories, namely :—

(*a*) Schools provided and maintained by the Jewish Agency ;

(*b*) Assisted schools ;

(*c*) Schools provided by the Palestine Jewish Colonization Association but maintained by the Jewish Agency ;

(*d*) Schools which receive no financial assistance but are under educational supervision.

In 1929–30 out of a total of 21,031 pupils, rather more than two-thirds or 14,169 were in category (*a*). The revenue of the Jewish Agency Education Department amounted in the same year to £P. 127,550 of which £P. 76,207 was provided by the Jewish Agency, £P.16,070 by the Tel Aviv and other Local Councils, £P. 5,645 by the Palestine Jewish Colonization Association, and £P.26,077 by fees. The Government contribution is £P.19,175 and is based on the proportion of the Jewish to the total population in the census of 1922.

135. The department has attempted to estimate the wastage in the Jewish schools but immigration and transfers to private schools make it difficult to arrive at any accurate figures. Such information as is available, however, suggests that about seventy per cent. of the pupils pass through class 3 and forty per cent. through class 4. It is somewhat remarkable that these percentages are not higher. But whatever the explanation it is certainly not to be found in any lack of schools or teachers. The number of teachers, indeed, appears to be excessive. There is one for each twenty-two pupils, a proportion decidedly higher than is attained or is even aimed at in England. The Agency has not always been able to pay its teachers promptly, who in consequence have on more than one occasion gone on strike. It might find it easier to do so if it were content to maintain a smaller staff. In the secondary schools there were 2,284 pupils. The outturn probably exceeds the demand for educated men in the professions and business. There are already more pupils in the highest class of the four training colleges than the schools can absorb.

136. The Hebrew University has a Faculty of Humanities and a Faculty of Science. The former includes an Institute of Jewish Studies, a School of Oriental Studies, and courses in Philosophy, History, and Letters. The latter contains an Institute of Mathematics and an Institute of Chemistry. There are 29 Professors, Lecturers, and Assistants in the Faculty of Humanities and 20 Professors and Assistants in the Faculty of Science. At present the Faculty of Humanities provides a course leading up to a degree. In the Faculty of Science the work, except in the Institute of Mathematics, is confined to research. A Physics building is, however, in course of construction, and the University intends eventually to establish a Natural Science Faculty with a Natural Science Department. In the meantime many Jews who desire a University qualification proceed to the Continent of Europe.

137. The Hebrew University is anxious to regularize the conditions of entry to its classes, and has been negotiating since 1928–29 with the Education Department for the formation of a joint School Examinations Committee. The certificates issued by the Jewish secondary schools are accepted by various Continental Universities but not by the University nor by the Government. Agreement has been reached on various questions of principle but an external examination has not yet been established. There can be no question as to the need for an examination which will ensure that those admitted to the University are capable of benefiting by its courses. A university education differs in its aims and methods from that given in the schools, and cannot be imparted to students who have not been adequately prepared in the secondary schools.

138. The Jewish Agency schools are under a Director. The Education Department has made proposals for strengthening his authority, and there can be no doubt that administration and discipline would benefit if he were given wider powers. It is regrettable that the sanction of the Zionist Congress has not yet been accorded. The Agency maintains seven Inspectors and inspections are also carried out by three Government Inspectors. So long as the Government makes a grant in aid the Education Department must inspect the Agency's schools, and the staff retained for this purpose is not too large. The value of their work is recognized by the Director; and their salaries are met from the lump grant.

Other schools.

139. Outside the Arab and Jewish public systems there is a large number of schools, Moslem, Christian, Jewish, and foreign which are maintained by private bodies. The Moslem schools are mostly Kuttabs where the standard of education is generally low. The Christian schools, however, include some of the best secondary schools in the country. The department gives higher education

grants of £P.150 each to the Jerusalem Girls' College and the Scots College, Safad, and *per capita* grants amounting to £P.2,700 to 96 elementary and secondary schools which conform to its requirements. These grants cannot be regarded as excessive.

Proposal to appoint an Inspector of English.

140. There is a proposal to appoint in place of the Assistant Director, whose post is now vacant, a Senior Education Officer, who is to be employed as Inspector of English. We think that this appointment should be at any rate deferred for some years. It is not indispensable, since the teaching of English can be and doubtless is supervised by the Director and Deputy Director, and any money available is required for more urgent needs.

Technical Education.

141. The Departmental Report for 1928/29 contains a report on Technical Education by Mr. Stewart, who has since been appointed Supervisor of this branch. This report stated that, in general, qualified technical training was lacking, particularly in the Government Schools; to some extent this defect has since been remedied. The Hebrew Technical Institute at Haifa gives a 4-year course in engineering and architecture which is more complete on the theoretical than on the practical side. There is a proposal now under consideration to convert it into a school for the training of overseers, draughtsmen, and clerks of works, rather than engineers and architects. In the other technical and industrial schools it is said that there is too much manual work and not enough theoretical training. Mr. Stewart observes that there is a danger in Palestine as in other oriental countries of education becoming a "single-track" system; and it is a fact that the out-turn of the secondary schools is already greater than the liberal professions can absorb. There are more than three hundred and fifty lawyers, and every year about thirty advocates pass out of the law school, whilst in the medical profession there are nearly seven hundred private practitioners. Experience elsewhere in the East, however, does not suggest that a black-coated proletariat will be averted by the development of craft and industrial schools. What is needed is a change in the outlook of the educated classes, who must learn to look for a career in business and trade rather than in the professions. A Central Crafts School, which the Supervisor of Technical Education recommends, may be desirable, but cannot in our opinion be regarded as urgently required.

142. It is undeniable that in Palestine as in other countries more money is required for education. The amount needed, however, in the near future at any rate, may easily be exaggerated. It cannot be measured by the number of Arabs who are illiterate. The

illiteracy of the fellahin is a serious obstacle to economic progress in the villages, but will not be overcome by merely multiplying schools. The fellah must first be convinced of the advantages of allowing his sons to stay longer at school. The immediate needs are :—

(1) More teachers in the rural schools many of whom can be obtained by closing inefficient schools.

(2) More schools and teachers in the towns where there is a genuine and only partially satisfied demand for primary education. We think that an annual addition of £5,000 for ten years* would meet all the urgent requirements provided that the basis of the contribution to the Jewish Agency is not altered. We have been informed that the Agency intends to curtail its expenditure on social activities, and that it will claim that the grant should be calculated on some other principle than the proportion of Jews to the total population. A fairer basis, it is urged, would be the Jewish contribution to the revenues. Any discussion of this claim would take us on to ground outside the terms of our reference ; we need therefore only note that, if accepted, it will probably involve a substantial addition to the present grant.

CHAPTER 13.—ANTIQUITIES.

Duties.

143. The special duties of the Department of Antiquities arise out of Articles 13 and 21 of the Mandate. Under the former Article the Mandatory assumes all responsibility in connexion with the Holy Places and religious buildings or sites in Palestine (excepting purely Moslem Shrines), and the department is accordingly concerned with the structural repair and preservation of religious buildings or sites which are antiquities,† and not the exclusive property of any one religious body ; for example, the Church of the Holy Sepulchre and the Church of the Nativity at Bethlehem. The later Article requires the enactment and execution of a Law of Antiquities in accordance with specified rules for the protection of antiquities and the control of archaeological research. In accordance with the Antiquities Ordinance enacted in 1929 an Archaeological Advisory Board has been established in Palestine consisting of members nominated by the High Commissioner and representing the several archaeological interests in the country. The Director of Antiquities is Chairman of the Board, which is consulted by the Government on matters of archaeological importance.

*This would pay for the salaries of about thirty extra teachers each year.

†The term " antiquity " includes any object constructed earlier than the year 1700 A.D., with additions, reconstructions, or restorations.

Expenditure.

144. The expenditure of the Department for 1931 is estimated at £8,358 for administration and inspection (including £1,000 for " Conservation of Antiquities "), and £8,946 for the Palestine Archaeological Museum with the Library (including £3,830 for " Research, Publications, purchase of Antiquities and Books "). A new museum is now being built in Jerusalem, funds for its construction, equipment, and endowment having been generously provided by Mr. John D. Rockefeller, Jr. The sum of £8,946 estimated as the cost of the museum and library in 1931 is met from these endowments, and only the cost of administration and inspection is provided from Government funds.

Staff.

145. The administration of the department, including responsibility for the museum and library, is in the hands of a Director (Grade D), assisted by a Departmental Assistant (S.S.2). Inspection is carried out by a Chief Inspector (S.S.1) and three Inspectors (S.S.3); their duties include the prevention of damage to known antiquities, the collection of information about new discoveries, and the carrying out of minor works of conservation. In the museum there are a Keeper (S.S.1) an Assistant Keeper (S.S.3), and a Librarian (S.S.2). All sections have the necessary clerks and other subordinate staff.

146. On the occasion of Mr. Rockefeller's gift in March, 1929, he was informed that the expenditure of the Government on the department would not be reduced in consequence of that gift. The actual expenditure out of Government funds was £8,654 in 1928, £7,083 in 1929, and £7,239 in 1930. The drop in expenditure in 1929 was due to the unexpected postponement until 1930 of certain expropriations originally provided for in the former year. We do not interpret the promise given to Mr. Rockefeller as precluding economies in the existing staff of the department, but as an undertaking that any such economies shall not involve increased charges on the endowment fund furnished by him. We refer to this point because we have come to the conclusion that the work, for which the department is responsible, does not justify the retention of a Director, a Chief Inspector, and a Departmental Assistant on the scales quoted above. It seems to us that the Chief Inspector's duties of correlating and, as far as may be necessary, of interpreting the work of the Inspectors can quite well be performed by the Director as part of his normal duties. A complete survey of the known antiquities of the country has not yet been made, but this is not a matter which need be unduly hurried. When it is completed we think that not more than two Inspectors will be required. The " Provisional Schedule of Historical Sites and Monuments " published in June, 1929, has been unduly inflated by the inclusion of small items of little interest or importance, and might be reduced substantially.

The post of Chief Inspector has only been filled this year, and personal difficulties might therefore arise if it were abolished at once. We think, however, that it should be discontinued as soon as a vacancy occurs either in the post itself or in that of the Director or of the Keeper of the Museum, and advantage taken of the occasion to make the necessary adjustment of the staff.

Such field work, apart from inspection, as is financed out of Government funds is confined to that necessary for the conservation of existing antiquities. The Government pays for no new excavation and, in our opinion, rightly so. Excavation and research can confidently be left to private enterprise. Apart from occasional special expeditions on behalf of Universities, museums, and other institutions in Europe and America, there are at least eight schools or associations permanently engaged in these tasks.

Conservation of antiquities.

147. An important question arises in connection with the provision of the funds for the conservation of antiquities. At no distant date it will become necessary to provide for the maintenance of Christian religious buildings, not owned or used exclusively by one religious body, which are in the charge of the Mandatory. The staff of the Antiquities Department is not necessarily qualified to undertake the execution of such work, nor is that of the Public Works Department. A small special staff appears to be necessary. In so far as such a staff would also attend to the conservation of antiquities of merely historical interest the expenditure of Government or other public funds might be held to be justified; but it would not be legitimate to use revenue derived from non-Christian sources for the maintenance of Christian places of worship. On the other hand, it is not reasonable to expect the Mandatory to meet the expenditure involved. The solution that naturally suggests itself is that, whilst the Palestine Government should be responsible for carrying out the work, the cost should be borne by the religious bodies owning or using the building. This, however, would necessitate an agreement amongst these bodies as to the share of the cost to be borne by each of them; and for various reasons, into which we need not enter, it may not be possible to secure such an agreement. Failing this solution, there is an alternative which we desire to commend to the consideration of the Government; we think that the visitors who come to Palestine from all parts of the world may reasonably be asked to contribute towards the cost incurred by the Government in maintaining its religious buildings. We understand that a proposal to raise the necessary funds in this manner has been approved in principle by the Secretary of State, but that the Palestine Government has, on further investigation, felt some doubts as to its practicability. We do not share such doubts. Other countries have levied for general purposes what is known as a *taxe de séjour* by means of a percentage addition to visitors' hotel

bills, and have collected the tax through the hotel proprietors. We see no reason why the Palestine Government should hesitate to use, if necessary, this method of providing funds for the special purpose now in view. In normal circumstances we should not be in favour of earmarking a particular source of revenue for special purposes, but the circumstances of the present case are sufficiently exceptional to justify such a course. The tax would be levied on all visitors (that is excluding immigrants, officials, and others permanently resident in the country) who stay at hotels, hospices, and similar institutions in Palestine. It should be noted that a tax on visitors staying at hospices run by religious bodies could not be held to involve any infringement of their customary exemptions from taxation; the tax would not be levied on such bodies or on their hospices, but collected through them from the visitors.

The Director of Antiquities has estimated that an annual expenditure of about £5,000 on staff, labour, and materials would be necessary for a reasonable programme of conservation work, to be spent, in the early years at any rate, mainly on religious buildings. We think that in the first instance work might be restricted to a smaller programme costing, say, £3,000. Such a sum would not require an unduly heavy contribution from visitors to Palestine; in 1930 the number of tourists and others who visited the country, excluding parties of the poorer pilgrims, is estimated to have been about 20,000.

CHAPTER 14.—TREASURY.

148. We do not think it necessary to refer at length to the organization of the Treasurer's Department, which, for the work that it at present performs, appears to be economically staffed. We understand that the post of Senior Assistant Treasurer, Class 1, will be regraded to Class 2 on the occurrence of a vacancy.

The position of the department in relation to the general control of the Government finances has already been discussed in Chapter 1. As regards the day-to-day work of the Treasury as the accounting department of the Government, it is clear that the departments have been encouraged by the elaborate checks to which their accounts are subjected, to rely too much on the Treasury and too little on their own efforts, for the control of authorized expenditure. This is not only undesirable on general grounds; it increases unduly the work of the Treasury. Thus, it should not be necessary for the Treasury to keep records of the financial allocations made by heads of departments within the individual items of their Votes or to maintain an elaborate register (which has to be rewritten every year) of the details of the emoluments of each individual Government servant; nor should it be responsible for re-arranging and re-typing in proper form the draft annual Estimates submitted by departments. The

department also spends much time in making up accounts between the railways and Government departments, and in adjusting them through the medium of the Railways " Advances Account " ; the departments should be allowed to settle their own accounts periodically. These examples will serve to show that the Treasury could reduce its work appreciably if heads of departments were made responsible for controlling to a larger extent than they do at present the details of their accounts. Until they are left to shoulder their full responsibilities in financial matters, there can be little guarantee that economy and financial regularity will be regarded as being just as urgently necessary as technical efficiency.

CHAPTER 15.—AUDIT.

Directing Staff.

149. The Auditor has had a difficult task in building up his department. He had in the early stage to cope not only with the complete absence of any experienced assistants in his department and in the accountancy staff of other departments, but also with the general financial laxity that obtained immediately after the war. The position in all these respects has, of course, greatly improved in the last ten years, but we do not find that it is even yet satisfactory. The Auditor himself devotes an undue part of his time to detailed queries arising in the course of audit, and on frequent occasions has to make detailed investigation in the districts himself. The result is not only that there is delay in the submission of his annual reports on the accounts, but also that he cannot give sufficient attention to the general direction and control of the work of his department ; in particular, more explicit instructions are required as to the extent of the audit to be carried out by the examiners of the different classes of accounts. Neither the present Senior Assistant Auditor (S.S.1) nor the Junior Assistant Auditor (S.S.3), who is allotted to the Railways Audit, has sufficient experience of audit work to render much assistance to the Auditor in the general organization of his department, and we think that the staff of the department must be strengthened for this purpose. We accordingly recommend the addition of a second post of Senior Assistant Auditor (S.S.1), to be filled by an officer of high qualifications and thoroughly experienced in Colonial Audit. The need for two Class 1 officers in addition to the Auditor is clearly only temporary. When the existing Senior Assistant retires, his post should be regraded to one for a Junior Assistant Auditor (S.S.3) and when the new Senior Assistant, whose appointment we recommend, either is promoted or retires, his post should be regraded to one for a Class 2 officer.

References to the Auditor.

150. It appears to be the custom for the Secretariat to obtain the Auditor's advice on departmental proposals involving, for example, the writing off of losses and on the reports of Boards of Survey. The decision given by the Secretariat is usually in accordance with that advice. We think it undesirable that the Auditor should in this manner be made a party to such decisions, the examination of which at a later stage would normally form part of his audit. The practice seems to be contrary to the spirit, if not to the letter, of Colonial Regulation No. 338, which states that " the Auditor will not undertake any examination of accounts, partaking of the nature of a pre-audit, which involves acceptance by him of a responsibility which would preclude him from full criticism of any accounting transactions after they have been duly recorded in the account books of the Colony." The Secretariat should determine such questions on their own responsibility. Incidentally, such a change, besides reducing inter-departmental references and correspondence, would relieve the Auditor of the necessity of dealing with a large number of cases which can only interrupt the normal programme of his audit. Thus during 1930 no fewer than 155 reports of Boards of Survey alone, mostly concentrated in the first few months of the year, were referred to the Auditor before approval by the Secretariat.

Work could also be saved by allowing the Assistant Auditor in charge of the Railway Audit at Haifa and the Chief Accountant of the Railways to correspond directly with each other instead of through the Auditor and the General Manager.

Municipal Auditor.

151. Earlier in our report we have suggested that the accounts of Municipalities should be audited by an auditor appointed by and responsible to the Government instead of by auditors in private practice. Such a municipal auditor would be on the staff of the Audit Department and be graded not higher than Class 2 of the Senior Service, but the cost of his remuneration would be shared among the Municipalities affected. While his post would be additional to those now recommended for the Audit Department, it should be understood that the Government Auditor would be responsible, after consultation with the District Administration, for giving him general directions and advice as regards his audit and the forms of accounts. We anticipate that after a short initial period it will not be necessary for the municipal auditor to devote his whole time to municipal accounts, but that he will be available for some of the ordinary work of the department.

Clerical Staff.

152. The draft Estimates for 1931 provide for thirty-three clerks (other than those seconded to Trans-Jordan), as against an actual present strength of twenty-eight. The increase is proposed as an

instalment of a total addition of twenty-six clerks, or of nearly one hundred per cent. We see no reason whatever for making this or indeed any addition, more especially as it remains to be seen whether the appointment of a Senior Assistant Auditor results in a better use of the existing clerical staff. We suggest that the present number of clerks (twenty-eight) is reasonable, and that work should be organized on that basis for a period of not less than three years.

CHAPTER 16.—CUSTOMS DEPARTMENT.

Cost of Collection.

153. The following table shows the relation between the cost of this Department and the total revenue raised (customs, excise, licences, and miscellaneous receipts) since 1924 :—

	Revenue.	*Expenditure.*	*Expenditure as percentage of Revenue.*
	£P.	£P.	%
1924	621,283	36,965	5·94
1925	992,218	40,769	4·10
1926	1,022,124	49,081	4·80
1927	976,171	55,970	5·73
1928	1,118,531	63,466	5·67
1929	1,166,421	66,545	5·70
1930	1,234,957	71,253	5·76
1931 (Estimates) ..	1,227,550	74,839	6·10

154. The fall in the cost of collection in 1925 was due partly to the increases made in the customs tariff in that year and partly to the fact that in the latter part of 1924 drastic changes were made in the personnel of the department, necessitating the discharge of large numbers of employees whose places were not immediately filled. Thus the number of officers of the Senior and Junior classified Services fell from 164 on 1st July, 1924, to 123 on 1st October, 1924; it rose gradually to 166 again by 1st January, 1929, to 185 on 1st January, 1930, and to 208 on 1st January, 1931. The effect of these changes was to increase the efficiency of the staff; and as during the same period the rates on many classes of goods were raised, the increase in the cost of collecting the revenue is at first sight disappointing. But the fact is that there are factors which make the statistical comparisons of paragraph 153 somewhat misleading. In the first place, practically no goods were exempt from duty in 1924, whereas goods which, at an average rate of 12 per cent., would otherwise have paid £118,000 in duty were admitted free in 1930; the examination of these goods, particularly as to their title to exemption, entails in most cases as much work

as if they were dutiable. Also, staff has been added for the control of the manufacture of tobacco and intoxicating liquors, which was practically non-existent in 1924; we point out elsewhere that this control, owing to the habits of the country, is not as remunerative in Palestine as in other countries. Taking account of these considerations, it would appear that the department is collecting the main portion of its revenue at a somewhat smaller relative cost than in 1924. If comparisons are to be made with the revenue staffs of other countries, it must be pointed out that the Palestine customs tariff contains a greater variety of duties than is usually the case with total receipts of just under £1,000,000. As a result of our enquiries, and subject to the observations which follow on points of detail, we think the department is in general economically staffed.

Trade Section.

155. The Department has certain duties, extraneous to those usually associated with the raising of revenue, in regard to trade. A special trade section deals with all trade enquiries both local and from foreign countries, investigates the prospects for local trade and industry in foreign countries, compiles economic and industrial statistics, and registers trade marks and patents. A separate department of Commerce and Industry existed until 1923 when it was, on a much reduced scale, merged into the Customs Department. It cost £15,000 in 1921 and £14,000 in 1922. It has been represented to us that a revenue department must necessarily be biased, or at least handicapped, in its dealings with traders and industrialists; and also that nothing short of a special and independent department can meet the needs of the increasingly important trades and industries of the country. We do not think that the first objection is a very weighty one. All questions relating to trade are referred to the Advisory Committee on Industry and Trade, of which the Director of Customs is but one member. If this Committee were strengthened, as we have already suggested, by the permanent addition of non-official members, there would be no danger of revenue considerations being allowed undue weight in its deliberations. Nor are we satisfied that greater assistance could be given to trade and industry if the existing staff were increased, and we certainly could not contemplate the provision of a special staff of the size usually associated with an independent department.

Headquarters Staff.

156. The senior officers authorized for the headquarters of the department, which is situated at Haifa, are :—

1 Director (Grade C);
1 Deputy Director (Grade F);
1 Inspector (S.S.2);
1 Accounts Officer (S.S.3);
1 Surveyor (S.S.3), in charge of the "Jerquing" section; and
1 Office Surveyor (S.S.3).

We see no necessity for both the posts of Deputy Director and Inspector. The latter officer spends only a small part of his time on inspections, and is engaged mainly on technical questions relating to excise. We think that one post for an Assistant Director, in Class 1 of the Senior Service, should be substituted for the two posts of Deputy Director and Inspector.

In the " Jerquing " section, two Surveyors (S.S.3) are at present employed, the second Surveyor having been posted to it for personal reasons. So long as he is retained there, the second post of Surveyor at Haifa, from which he was transferred, should remain vacant.

The post of Office Surveyor is not necessary and the Director some time ago proposed its abolition. It was, however, filled early in 1930 by the transfer of a Class 2 officer, when the latter's post as Stores Officer in the Secretariat was abolished. This officer (who has retained his Class 2 scale of salary) is, in fact, not serving as Office Surveyor but as Collector at Gaza, where it is proposed to create a new post for an officer in Class 3 of the Senior Service. (*See* paragraph 157.)

It has been proposed to us that the post of officer in charge of the Trade Section, at present Grade I of the Junior Service, should be up-graded to Class 3 of the Senior Service. We do not, however, feel able to agree with this proposal.

Other Senior Posts.

157. The other senior posts in the department are as follows :—

Jaffa ..	..	1 Collector (S.S.3) ; 1 Assistant Collector (S.S.3) ; 1 Port Officer (S.S.3) ; and 4 Surveyors (S.S.3), one for the officer in charge of accounts and three for valuers in the estimation section.
Haifa ..	..	1 Collector (S.S.3) ; 1 Assistant Collector (S.S.3) ; 1 Port Officer (S.S.3) ; and 2 Surveyors (S.S.3), both being for valuers in the estimation section.
Jerusalem	..	1 Collector (S.S.3). This post is at present filled, for personal reasons, by an officer with the maximum of Class 2 scale of salary and a personal allowance of £50 : that is, £800 in all.

As to Haifa, it is proposed that the post for Collector should be up-graded to Class 2. In view of the anticipated developments at the port in the next three or four years, and of the relatively very few high posts open to Class 3 officers in the department, and

provided that our other recommendations in regard to the senior officers of the department are adopted, we think that this up-grading might be allowed. The Director has also proposed that a new post should be created for a Class 3 officer at Gaza. After careful consideration we do not think that the importance of the station or its special duties are such as to require such a post.

The normal and actual complements of senior officers in the department, and that proposed by us are, therefore, as follows :—

	Present normal complement.	*Actually borne.*	*Proposed.*
Grade C	1	1	1
Grade F	1	1	—
Class 1	—	—	1
Class 2	2	4	2
Class 3	15	13	13

If our proposals are accepted, we do not think that any special treatment can be accorded to this department in making the necessary adjustments of staff, and we can only suggest that the latter should be dealt with on the general lines proposed in paragraph 213 below for cases where the abolition of posts is necessary.

We should add here that the posts authorized for Surveyors (S.S.3) are now being filled by Palestinian officers promoted from the Junior Service. We are glad to be informed that there is very promising material in the Junior Service, and that in a few years it may be possible to appoint Palestinian officers to some of the more responsible posts in the department.

Junior Service.

158. The Junior Service in the department is a closed service and embraces officers serving in all the various branches of the department; clerical, estimation, baggage and other inspections, stores, etc. It has hitherto been graded on the old system of six grades formerly common to the rest of the junior staffs in all departments. The Estimates for 1931 have been prepared on this old system ; but they are in fact inoperative because, since the 1st January, 1931, the Junior Service has been paid according to the three new grades of the Junior Service (*see* paragraph 190). This regrading has involved, at the means of the scales, a slight increase of £300 in a salary bill of £24,000. The Director has been asked to notify his additional requirements in the new grades for a period extending to 1935, and doubtless in some cases, where they are more or less immediate, such requirements can be definitely foreseen, but there are no data on which the department can prepare an estimate for the next five years. The staff to be employed in each year should be decided in connexion with the Estimates for that year. The Estimates for 1931 provided for an addition of twenty-three posts to the classified Junior Service ; of these, eight represent transfers from unclassified

Tobacco and Distillery Officers at present paid at fixed monthly rates ranging from £8 to £15 a month, five are conversions of temporary to permanent appointments, and ten are new posts. We see no objection to the thirteen transfers and conversions, except that as the Nablus tobacco factory is now closed the two officers hitherto stationed there will not be required. Of the ten new posts, two are proposed for the new oil area at Haifa, four for a new Customs station at Ras el Nakoura at the extreme west of the Syrian frontier, and four for miscellaneous posts. We think these new posts should be allowed, except that three officers instead of four should suffice at Ras el Nakoura. There has hitherto been no Customs staff at this place, although it is on the main coast road from Beirut into Palestine. Customs work has been performed by the police, whilst dutiable articles have had to be sent into Haifa for valuation and collection. No exception can be taken to the proposed new Customs station ; in fact, accommodation has been built in anticipation of the appointment of the necessary staff. We understand that it will be possible for the Customs staff to undertake the examination of immigrants on behalf of the Immigration Section, which is also carried out at present by the police. The Commandant of Police has agreed to reduce the police post by two constables when these new arrangements come into force ; we think he should consider whether a larger reduction (which should be a net reduction of the police establishment) cannot be made.

The Director has asked for extra provision for guards in the immediate future. In view of the known prevalence of smuggling we think that this assistance should not be refused.

Liquor control.

159. In 1930 there were twenty-nine Distillery Officers in control of twenty-one distilleries and fifteen wine factories ; but the excise revenue attributable to liquor was only £31,941 from excise duties and £6,223 from licence fees. Little objection can be taken to the disposition of the Distillery Officers under present conditions ; but the cost of collecting this revenue is excessive and we recommend later (paragraph 262) the concentration in a few central distilleries of the manufacture of liquor, which should, amongst other things, enable this excise staff to be reduced.

Tobacco control.

160. There are nine tobacco and cigarette factories, one tombac factory, and one snuff factory. These, with a dozen deposit and dealers' stores for tobacco, require a staff of thirty-one Tobacco Factory Officers, and we do not think that the number can be reduced.

A staff of two Tobacco Inspectors (£20 a month) and twenty-one Tobacco Field Officers (£15 a month) are engaged in controlling, under the Tobacco Ordinance, the local cultivation of tobacco and its transport to the factories. Sir John Hope Simpson has already suggested that cultivation should be restricted to the northern part of the country where alone it is possible to grow tobacco of a good quality, and we desire to support this suggestion on the further ground that it will make for economy in the matter of staff. During the years 1926–1929 the local production of tobacco and tombac was as follows :—

	Kilos.
1926	552,148
1927	546,742
1928	341,836
1929	1,193,944

The large increase in production in 1929 resulted in a fall in prices in 1930, since the local tobacco factories cannot take more than 500,000 kilos annually, and there is little prospect of any substantial export trade in Palestinian tobacco. Cultivators now have on hand unsold and unsaleable stocks which they may be tempted to get rid of by illicit sales. Restriction of production might help to secure them a better price for their product from the factories. Moreover, seven of the twenty-one Tobacco Field Officers are stationed in the southern district ; they have general anti-smuggling duties in relation to other goods than tobacco, but if cultivation in the district were prohibited the number required for patrol duties could be reduced and some of them might be replaced by less expensive guards.

161. The duties of these Tobacco Field Officers, which include both the issue of licences to authorities and the detection of offences, afford great opportunities for extortion, and admittedly these officers are not under any effective supervision. We think that Assistant District Commissioners and District Officers should be instructed to do what they can, whilst on tour in the villages, to check mal-practices ; we are assured that their assistance in this matter will be welcomed by the Customs Department.

162. Two further points have been mentioned to us, on which we think the present Ordinances might be amended. Power should be given to the department to refuse (future) licences in cases where there are reasonable grounds for believing that a cultivator has deliberately understated the yield of his tobacco crop in order to dispose of some of it illegally. Also, since the retention by cultivators of unsaleable tobacco leaf is a menace to the revenue, it should be provided that stocks remaining unsold for, say, three years after being gathered must be destroyed.

163. A large number of contraventions of the Tobacco Ordinances are reported annually. Thus in the first three months of this year they numbered about 1,300; fifty-six of these involved the seizure of 5 kilos or more of tobacco, representing a loss of £1,026 in revenue. While it is the duty of the department to ensure that neither the revenue nor the firms engaged in manufacture are prejudiced by the smuggling or illicit sale of tobacco, we think that some discretion might be exercised in the enforcement of the Ordinances in the case of people found in possession of very small quantities of unmanufactured tobacco.

CHAPTER 17.—POSTS AND TELEGRAPHS.

The Posts and Telegraphs Department.

164. *Cost and Revenue.*—The following figures show how the Post Office expenditure has compared with the revenues received in recent years.

Year.	*Expenditure.*	*Revenue.*	*Surplus Revenue as percentage of Expenditure.*
	£P.	£P.	
1928	139,712	186,554	33
1929	141,206	207,288	47
1930	147,338	220,383	49
1931 .. .. (estimated).	162,469	223,200	37

In the years before 1923–24 the surpluses were small and did not cover the annual expenditure on capital account which was subsequently charged to loan funds. Over the whole period, however, from 1920 to 1930 they have exceeded the capital expenditure (excluding a sum of £21,020 for extraordinary works which we refer to later) by about £120,000. During 1931 the revenue will probably exceed the figure in the Estimates as the receipts from telephones are likely to be larger than were anticipated. We think it will be agreed that the return in recent years on the expenditure incurred is very satisfactory and reflects credit on the department.

Senior Staff.

165. As regards expenditure we can suggest no reduction other than the few minor economies noted below.

The directing staff consists of a Postmaster-General (Grade D), a Deputy Postmaster-General (Grade F), and two Assistant Directors (S.S. 2) each of whom is in charge of one or two divisions. We think that the Postmaster-General should be in Grade C as are the

Directors of Education, Health, and Public Works Departments. This will not involve any change in the emoluments of the officer now holding the post or in the grading of the Deputy Postmaster-General. We cannot concur, however, in the proposal that the Assistant Director in charge of the southern division should, on account of special duties relating to international communications, be promoted to Class 1 of the Senior Service. These duties should be regarded as part of the normal work of the post which is not heavier than that of the Assistant Director in charge of the northern division who has to inspect a much larger number of post offices.

166. The engineering department is in charge of a Chief Engineer (S.S. 1) assisted by two engineers (S.S. 2) for the northern and southern divisions respectively and two assistant engineers (S.S. 3) of whom one is stationed at Jaffa in the southern division and the other is in charge of the lines and apparatus in Sinai. It has been proposed that the Chief Engineer should be placed in the same grade as the Deputy Postmaster-General. We are unable to support this proposal. It is in principle undesirable that the two posts should carry the same salary, and there are no special reasons which would justify a higher salary for the Chief Engineer.

167. We are informed that for some time to come there will not be enough Palestinian candidates qualified by training and practical experience in mechanical and electrical engineering to fill even the junior directing and supervising posts in the department. As we have pointed out in the chapter on education, the remedy is to be found in the provision of scholarships tenable in England. The Jewish Technical College will probably soon cease to train engineers and both here and at the Beirut University the facilities for instruction in the practice of engineering are defective. The holder of a scholarship should receive a guarantee that, if he completes the courses and passes the tests prescribed, an appointment will be available for him on the usual probationary basis.

Junior Staff.

168. The clerical and other subordinate staffs of the Post Office—that is, Assistant Postmasters, Postal Clerks, Test Clerks, Telegraphists, Telephonists and Linesmen—are paid on a variety of scales corresponding roughly to the old six grades for Government clerks. The Postmaster-General has put forward proposals for assimilating the present gradings to the three grades approved for the clerical cadre in 1926, except in the case of telephonists and linesmen whose pay is to be less than that of Grade III of the clerical cadre. The extra cost of this scheme, calculated on the means of the scales, is about £12,000. We agree that the existing scales need revision, but it is neither necessary nor desirable that the grading of the Post Office staffs should follow closely that of the clerical cadre. The grade of Assistant Postmasters should be numerous enough to allow their rates of pay to be determined as

nearly as possible according to a scale of unit charges. The prospects of the clerks should not be markedly different to those of clerks in the clerical cadre, whose work is comparable to theirs; but the proportions in the various scales need not be the same for employees such as Postmen, Telegraphists, and Linesmen, and the number of special posts such as that of Inspector may depend on factors quite other than those that are relevant in the case of appointments carrying a similar pay in the clerical cadre. We have allowed a sum of £5,000 in our final summary for the extra cost of some regrading of the Junior Service in the Post Office.

Savings on telephone operating staff amounting to about £3,000 a year will accrue in three or four years' time when the new automatic telephone exchange is installed in Jerusalem.

Posts and Telegraphs Extraordinary Expenditure.

169. The total provision under this head for 1931 may be divided as follows :—

(*a*) Items for which provision will normally be required annually :—

	£	£
1. Additional exchange switchboards	450	
2. Additional trunk lines	1,520	
4. Additional subscribers' circuits ..	7,000	
7. Additional cables	3,000	
		11,970
(*b*) Special items :—		
3. Reconstruction of old Turkish route	600	
6. New telephone exchange, Jerusalem (first payment out of a total cost of £35,000).	5,000	
9. Wireless telegraph station, Jerusalem (total cost, £1,000).	250	
10. New cables and deviation of circuits to site of new Post Office, Jerusalem.	1,500	
12. New secondary cells, etc., Jerusalem	700	
		8,050
(*c*) Transport, travelling, railway fares, and freight (Items 5, 8, and 11).		1,000
		£21,020

Although it is naturally difficult to forecast future requirements with any precision, an annual sum of £12,000 should suffice for the items under (*a*) in the next few years.

Of the items under (*b*), Nos. 3, 10, and 12 will drop out after 1931. The provision under items 6 and 9 will not be completely spent until a year or so after the completion in 1933 or 1934 of the new Jerusalem Post Office. Payments in respect of the new telephone exchange may begin to be incurred almost immediately if it is arranged that instalments are paid during the manufacture of the material. Sums amounting to just over £30,000 may therefore be required under this head within the next three or four years.

The item for the construction of the new telephone exchange is a further illustration of a matter to which we refer in the next chapter, namely the way in which the Estimates in recent years have been swollen by the inclusion of items on which there was no prospect of the amount provided being actually spent. In 1929 a sum of £10,000 was provided for this work which was then estimated to cost £10,000. Nothing, however, was spent in 1929. Next year (1930) the estimated cost was raised to £35,000 and the whole amount was provided in the budget.

The items under (*c*) should, in our opinion, be charged to the works in respect of which they were incurred, in order that the true cost of each of those works may be apparent.

CHAPTER 18.—PUBLIC WORKS.

The Public Works Department.

170. The senior staff of the department is as follows :—

DIRECTION.—1 Director (Grade C + £100), 1 Deputy Director (Grade E), and 1 Assistant Director (S.S.1 + £150).

HEADQUARTERS STAFF.—1 Assistant Engineer (S.S.3), 1 Construction Engineer (S.S.2), 1 Mechanical and Electrical Engineer (S.S.2), 1 Housing and Claims Officer (£600), and 1 Geological Adviser (£1,000).

ARCHITECTS.—1 Architect (S.S.1), 3 permanent Assistant Architects (S.S.2), and 1 temporary Assistant Architect (£528).

DISTRICT STAFF.—*Jaffa.*—1 District Engineer (S.S.1 + £150),
Jerusalem.—2 Assistant Engineers (one S.S.2 and one S.S.3),
Haifa.—2 Assistant Engineers (one S.S.2 and one S.S.3),
Nazareth.—1 Assistant Engineer (S.S.3),
1 Assistant Engineer (S.S.3) for work on the construction of camps for the Trans-Jordan Frontier Force and on Drainage schemes, and
1 Assistant Engineer (S.S.3) seconded to Trans-Jordan.

We think that this is a larger staff than is required and that the following reductions can be made without impairing the efficiency of the department.

(1) The Architect is responsible for the design and the execution of the large works which are given out on contract; the Assistant Engineer examines the plans and proposals received from the District Engineers; and the main if not the sole duty of the Deputy Director is said to be "general office control," a task which can and should be delegated to the Assistant Director. We should be very reluctant to reduce the staff at headquarters if we thought that this would make it difficult for the Director to visit the works under construction. At present too much of his time is spent in the office and too little on inspections. But this is because much work of a kind that should be entrusted to the Assistant Director is kept by the Director in his own hands, and because time and labour is wasted in correspondence with heads of departments over matters that could be easily and promptly settled by personal discussion with them.

(2) The Construction Engineer at headquarters has lately been engaged entirely on the building of the new Government House. Now that this building has been completed it is proposed that he should be used to relieve the Assistant Director when the Deputy Director goes on leave, and for the general work of the department. If the post of Deputy Director is abolished, he will not be required for the former purpose, and when either the Director or Assistant Director is on leave it should be possible to transfer to headquarters one of the Assistant Engineers (S.S.2) in the district.

(3) The architectural staff contains three more Architects than were employed in 1929. The contract of the temporary Architect will terminate in 1932. We deal in a later section with the serious delays that have occurred in the preparation of plans for major new works, and the waste of time that this has involved. If the remedies that we recommend are adopted, and if as we shall also propose the Vote for Extraordinary Works is reduced to £170,000, one post of Architect in addition to that of the temporary Architect can be reduced. The Architects are responsible for the large works for which plans have to be prepared at headquarters. They are not expected to scrutinize the plans drawn up by the District Engineers, and the plans for minor works, which it may be necessary to refer to headquarters, should as far as possible be standardized. The annual cost of the works for which the Architects will be responsible should not therefore exceed £75,000, and for a programme of this size a staff of one Architect and two Assistant Architects should suffice.

171. We have some doubts whether the post of Geological Adviser will be permanently needed. So far as the search for metalliferous ores is concerned, there seems to be little more that he can do. It is now proposed that he should collaborate with the Irrigation Officer in the deep boring operations that are to be carried on in the Beersheba area. We suggest that when these and the hydrographic survey to which we have referred in the chapter on agriculture have been completed, the Government should consider whether the financial value of any further work that he can undertake justifies the retention of the appointment.

172. In this connexion we note that an allowance of £100 a year is paid to the Director of Public Works in recognition, we understand, of his duties as Controller of Mines. We are not aware that at present there are any mines in Palestine, and we do not think that his duties arising out of the issue of licences to prospectors justify any special remuneration. We therefore recommend that this allowance be abolished.

173. The present occupant of the post of District Engineer, Jaffa, is paid the scale of Class 1 of the Senior Service and a personal allowance of £150 per annum. When he vacates the post it should be regraded to Class 2 without any allowance.

174. We understand that provision has been made in the Estimates to add to the present establishment two posts for Assistant Engineers (S.S.2), one in the Nablus district and one in the Nazareth district. We are unable to support this proposal. The amount of work for which the district engineering staff in these districts will be responsible is not, so far as we can see, as great as in the Jerusalem and Haifa districts, each of which has only two Assistant Engineers.

175. As in the case of the Post Office, we think special steps should be taken to increase the number of Palestinian officers in the technical posts of the department. Here also a promising young Palestinian should be sent periodically to England at Government expense for a course at a technical college and in private employment. He would have to receive a guarantee that, if he acquitted himself well during such training, an appointment in the department would be available for him on the usual probationary basis.

176. A lump sum is included in the Estimates for temporary draughtsmen and clerks of works. We think it should be possible if the programme of work is prepared on the lines which we shall recommend in a later section to show separately all temporary posts carrying a pay in excess of £10 a month.

Recurrent Expenditure on Public Works.

177. Out of a total estimate of £170,600 under this head for 1931, "*Rent of offices and quarters*" accounts for £45,000, of which £35,000 is for offices and £10,000 for quarters. There is little prospect of

any large reduction in this figure for some years to come. The Turkish Administration had few public offices, and a large number of the departments of the present Government are accommodated in hired buildings; but many of these buildings are not only unsuitable but inadequate, and the saving in rent, when the offices now under construction are completed, will thus be small. For the same reason and because building rates are high in Palestine, it will not represent more than a small return on the cost of the new premises. The largest saving will occur when the new block of Government offices is built, for which a sum of about £190,000 is earmarked from loan funds. It has not yet been decided what departments shall be accommodated in these offices, but the saving in rent, though not of course in total expenditure, may be £10,000.

178. The cost of maintaining the roads and bridges will be £80,000 in 1931, to which must be added the Government's share, £4,500, of the maintenance charges for the arterial roads passing through municipal areas. The condition of the roads is good, and we have no reason to believe that this expenditure can be reduced. We shall, however, propose in a later paragraph, curtailment of the programme of new roads, which will ensure that this item does not increase rapidly.

Extraordinary Expenditure on Public Works.

179. *Unsatisfactory estimating.*—Before discussing what provision should be made under this head in the future, we have to draw attention to the serious discrepancy between the original estimates and the actual expenditure in recent years, as shown by the following figures:—

Year.	*Original Draft Estimate.*	*Expenditure.*
	£	£
1928	188,680	167,136
1929	328,901	114,690
1930	284,999	160,060

The discrepancies are even greater than the above figures suggest, because out of the expenditure quoted sums amounting to £25,526, £18,910, and £23,472 in 1928, 1929, and 1930, respectively, were spent on items not provided for in the original Estimates but authorized by special warrant during the year. Deducting these amounts, it will be seen that the actual expenditure on items included in the original Estimates was only 75 per cent. of the amounts provided in 1928, 29 per cent. in 1929, and 48 per cent. in 1930. Such discrepancies, on a head of expenditure which represented about one-sixth of the total budget in 1929 and one-eighth in 1930, mean that the budgets of these years were extremely misleading. They were not a reasonably accurate estimate of the expenditure likely to be incurred or of the revenue required to meet it.

180. How these discrepancies have arisen may best be shown by a few facts about the provision for certain major works.

New Government House.—In 1928 the total estimate for the whole work was given as £10,000; this sum was provided in the Estimates for that year but nothing was spent. In 1929, the total estimate was raised to £45,000; this was all provided, but only £9,000 was spent. In 1930, the whole of the remainder of the cost was included, but only £26,000 was spent. The balance has been provided in the current year's Estimates and the work has now been completed.

Jaffa Post Office.—In 1929 the whole of the estimated cost of the building, £26,500, was provided, but only £3,000 was spent. The 1930 Estimates provided for the completion of the work, but only a further £17,000 was spent. The building is being completed this year.

Jerusalem Post Office.—This building is to cost £90,000 and the 1929 Estimates provided for £55,000 being spent during that year; in fact, nothing was spent. The 1930 Estimates repeated the total estimate, but provided for £35,000 being spent; again nothing was spent. The 1931 Estimates include a sum of £20,000; this represents only the cost of purchasing the site and of the foundations, which will not begin to be laid until September. Detailed plans are not yet ready. (Corresponding delays in commencing the telephone exchange have been referred to in paragraph 169.)

Arab Training College.—£20,000 was provided for this work in 1929, but nothing was spent. The same sum was provided in 1930, but only £8,000 was spent. The balance is included in the 1931 Estimates and tenders for the construction of the building have now been called for.

New Mental Hospital at Bethlehem.—Of the total estimated cost of £72,500, £28,000 was provided in 1929 but not spent. The same provision was made in 1930, and only £600 spent (in part payment for land). The 1931 Estimates include only a sum of £6,880, the cost of part of the land. No detailed plans have been approved or firm estimate of cost prepared.

Central Prison.—£10,000 was provided in 1929, and not spent. The same provision was made in 1930, the site in the meantime being changed from Jerusalem to Tulkarem, but only £500 was spent in sinking a shaft to explore for water. A further sum of £3,100 only is provided in the 1931 Estimates to continue the search for water and to pay for the land. It is not expected that plans will be ready until July, 1932.

181. The failure to carry out works for which provision was made in the Estimates, has been attributed to various causes more particularly :—

(1) delay in the final approval of the annual Estimates ;

(2) changes in the sites of buildings involving the preparation of new plans ;

(3) new demands from the departments which have asked for and obtained sketch plans before deciding finally on their requirements ;

(4) the insistence of the Public Health Department on alterations in plans especially as regards ventilation ;

(5) unexpected requests by the Military and Municipalities for the execution of works provided for outside the Estimates.

It is clear that this explanation, though to some extent it accounts for the delay in preparing plans, is far from adequate. The Estimates for 1929 were approved in January of that year, and there can hardly have been any urgent calls on the Public Works Department by the Military till after the riots of August, 1929. The other departments are not prepared in all cases, at any rate, to admit that the responsibility for new demands or changes of sites rests with them, but however it may be apportioned it is clear that there has been a lack of co-operation between them and the Public Works Department. The Jerusalem Post Office is a clear illustration. We have discussed the history of this project with the Director of Posts and Telegraphs and the Director of the Public Works Department, and we are satisfied that the plans could have been settled much sooner if the two Directors had conferred personally at an early stage. And in any case none of the causes assigned accounts for the inclusion in the Estimates of projects for which plans and estimates had not been prepared, and could not be ready by the end of the year.

182. We are assured that the Estimates for 1931 contain only works, which, if the Estimates had been approved in time, could have been completed by the 31st December, 1931. We think it essential, however, that a procedure should be adopted which will ensure both that the staff of the Public Works Department is employed to the best advantage, and that the Estimates are properly prepared. We recommend :—

(*a*) that the Government should not only prescribe the order in which plans are to be prepared, but should draw up a programme of building operations, in order of priority, for several years ahead ; and

(*b*) that it should be a standing order that no provision should ordinarily (that is unless for special and urgent reasons the Government decides otherwise) be made for any work until :—

(1) detailed plans have been finally approved ; and

(2) it is reasonably certain that the Public Works Department or the contractors can spend the sums allocated during the year.

183. *Current programmes.*—Excluding provision for the construction and reconstruction of roads, and " miscellaneous " items other than the six police posts in Item 107, new works account for £155,550 of the 1931 Estimates. The works may be classified as follows :—

(*a*) Works of a total cost of £20,000 and over :—

	Total Estimate.	*Estimated to be spent to end* 1930.	*Provided* 1931.	*Still to be provided.*
	£	£	£	£
Bethlehem, new Mental Hospital	72,750	630	6,880	65,250
Jaffa, new Post Office	26,500	23,000	3,500	—
Jerusalem, new Post Office ..	90,000	—	20,000	70,000
New Government House ..	45,000	30,000	15,000	—
New Arab Training College ..	20,000	8,000	12,000	—
			£57,380	

Of these works, Government House and the Jaffa Post Office have been completed, and the foundations of the Jerusalem Post Office will be laid in the autumn. The building of the Arab Training College is in progress. The amount provided for the new Mental Hospital is for the purchase of part of the site additional to that which already belongs to the Government. We think, however, that this scheme should be deferred for the present and certain urgent cases, now detained in prisons, be accommodated, as is proposed, in hutted quarters adjacent to the present Mental Hospital at Bethlehem. It is not at all improbable that the actual cost of the elaborate accommodation and equipment which it is proposed to provide will substantially exceed the present estimate. And it seems to us very questionable whether the Government is justified in spending so large a sum on a few score lunatics who are never likely to recover, or to be more than a burden on the rest of the community. A decision should at any rate be postponed until the amount available for new works is known and the priority of the projects has been determined.

(*b*) Works of a total cost of between £5,000 and £20,000 :—

	Total Estimate.	*Estimated to be spent to end* 1930.	*Provided in* 1931.	*Still to be provided.*
	£	£	£	£
Haifa, new Courts	12,500	1	11,499	1,000
Haifa, Animal Quarantine Station	13,270	6,720	6,050	1,000
Haifa, Temporary Drainage ..	5,000	300	4,700	—
Jaffa, new Survey Headquarters	10,500	10,000	500	—
Nablus, new Courts	12,400	400	10,000	2,000
Tulkarem, Central Prison ..	10,000(?)	500	3,100	6,400(?)
			£35,849	

Work on the new Courts at Haifa and on the temporary drainage scheme, which arises out of the construction of the new harbour, has already been begun. That on the Animal Quarantine Station must go on, while the new headquarters of the Survey Department have been completed. We think that the construction of the proposed new Courts at Nablus is justified; the present building is very unsuitable. The new Central Prison at Tulkarem is urgently required. The existing prisons are congested and it is impossible to segregate civil and criminal prisoners, or to separate habitual and other convicts. Detailed plans, however, will not be ready for about twelve months, and it is clear that the sum which is entered in the Estimates is only a fraction of the total cost.

(*c*) Twenty-seven works, each costing between £1,000 and £5,000, account for £45,561. Of these, ten, for which £14,295 is provided, are in progress and will be completed this year. We suggest that the Government should eliminate some of the remaining seventeen items so that the total cost of new items is reduced to not more than £20,000 for this year.

(*d*) For 54 works, each costing less than £1,000, a sum of £16,760 has been provided. Of these, five items costing £1,217 are in progress and will be completed this year. We suggest that the Government should eliminate some of the remaining items of this class also, so that the total cost of new items is reduced to not more than £7,000 this year.

If these suggestions are approved, the provision in the current year's Estimates for new works could be reduced from £155,550 to about £128,000.

184. *Future programme.*—Apart from the Mental Hospital, the only large projects, for which nothing is provided in the Estimates are (1) the Police Training School, and (2) quarters for the Police, British and Palestinian.

The Estimates for the former have not been prepared; a very rough calculation by the Police Department shows that the cost of quarters for the British Police alone would be between £150,000 and £200,000. We have been unable to obtain any approximate estimate for the cost of quarters for the Palestinian Police.

We agree with Sir Herbert Dowbiggin that the police should live in Government quarters, and that the discipline of the force can never be satisfactory as long as they reside in their homes. We recommend that a sum of £40,000 a year be set aside for this purpose for the next five years, of which half should be provided in this estimate, and half out of the country's surplus balances. So far as practicable we think that the new quarters should be spread over the country in such a way that, if subsequently a reduction of the force is found possible, no quarters will be left unoccupied. It is not, we think, necessary or desirable that a programme covering all the works that will be required, if its present strength is maintained, should be prepared. It will suffice and may be more economical to draw up a programme of the more urgent works that can be completed in five years. The programme can be revised before the end of this period in the light of the information then available as regards the proper strength and disposition of the police.

185. We think that the programme for other new works large and small should be prepared on the assumption that not more than £100,000 will be available annually for some years to come. This sum is much less than has been included in the Estimates in recent years, but we think that there has been a tendency to embark in too short a period on many large schemes. It is not imperative that all the buildings, which Palestine needs in greater or less degree, should be provided within a few years.

186. *Roads.*—The following sums have been spent in recent years for the construction of new roads and the reconstruction, realignment, etc., of existing roads :—

	Construction.	*Reconstruction, etc.*
	£	£
1928	60,699	10,408
1929	26,030	22,200
1930	29,861	18,586
1931 (Estimates)	61,640	14,400

Of the provision in the current year's Estimates for new roads, £5,000 and £210 are for the completion respectively of the Acre-Safad road and the Roshpina-Metullah road. £10,000 is provided for the construction of a road from the Jerusalem-Jericho road to the Dead Sea; the Palestine Potash, Limited, will contribute towards this project a further sum of £5,000 deductible, however, from the first share of profits payable to the Government; the road must by agreement be completed by the end of this year, and its construction

cannot be postponed. Provision is also made for the construction of a road between Haifa and Acre, at a cost of £10,000. For various reasons we think this road is urgently needed, and its construction should proceed. The remaining items of new construction are not, in our opinion, so urgent and can be undertaken or not according as funds are available or not ; we suggest that not more than £18,000 should be spent on them during the current year. On this basis, the amount provided for new roads in the Estimates could be reduced from £61,640 to about £43,000.

A definite amount of money should be allocated to the construction of new roads in future years, and we suggest the sum of £30,000 a year. We think that this sum will amply provide for a steady programme to meet the principal need of the country, which is the provision of metalled roads to bear the increasing motor traffic between the villages and the main towns.

For the reconstruction of existing roads a sum of £10,000 a year should be sufficient.

187. *Future Total for Public Works.*—Adding a provision of, say, £10,000 for miscellaneous items, the Estimate for Public Works Extraordinary during the next few years should be limited as follows :—

	£
New Works (other than police quarters)	100,000
Police quarters	20,000
New roads	30,000
Reconstruction, etc., of roads	10,000
Miscellaneous	10,000
	£170,000

188. *Contracts.*—A large number of the major public works referred to above have been, or will be, carried out by contractors. This is unavoidable, since the staff of the Public Works Department is not large enough to undertake many big works ; moreover, it is desirable to encourage private enterprise. The number of contractors able to tender for such works in Palestine is, however, very limited, and that is probably a cause of what we are inclined to think are the high costs of the works. We had neither the time nor the expert knowledge to confirm this impression by an examination of costs in detail, and can only suggest that the Public Works Department should give this question their continuous and careful attention.

189. A minor point arises on this estimate, as on that for Posts and Telegraphs Extraordinary Works. All the expenditure on railway fares and freight for the new works included in the estimate are collected under one item of the estimate. We think that such

expenditure should in future be charged to the costs of the works themselves. It is probable, if this is done, that the charges so debited will be calculated more closely ; the real costs of the works will also be apparent.

CHAPTER 19.—PAY AND CONDITIONS OF SERVICE OF THE STAFFS AND REDUNDANT OFFICERS.

Present classification, salaries, and allowances.

190. The classified staff of the departments of the Palestine Government is divided into two services, " Senior " and " Junior." Excluding the Trans-Jordan Frontier Force and the Railways, the Senior Officers number 448, of whom 230 are British officers ; the Junior Officers number 2,727, of whom 108 are British. In addition there are, in departments other than the two just mentioned, 1,413 unclassified staff, mostly in manipulative and other minor grades, of whom 8 are British. Further details of the grading, nationality, and religion of these staffs are given in Appendix IV. The salary scales of the two services are as follows :—

SENIOR SERVICE.

Class 3	£300–£10–£550.
Class 2	£550–£25–£750.
Class 1	£750–£25–£950.

with higher directing posts on the following salaries :—

Grade F	£850–£50–£1,050.
„ E	£900–£50–£1,100.
„ D	£1,100.
„ C	£1,200.
„ B	£1,400.
„ A	£1,600 and £1,800.

JUNIOR SERVICE.*

Grade III	£60–£6–£168.
„ II	£180–£8–£276.
„ I	£288–£12–£360.
Special Grade	£360–£10–£480.

*The junior staffs of some of the departments are only just in course of being assimilated to these scales.

191. In addition to the above basic salary scales, various allowances are payable as follows :—

(*a*) *Expatriation allowances* are payable to British officers of the Senior Service ; £50 per annum to Class 3, £100 to Classes 2 and 1, £150 to Grades F and E, and £200 to higher grades. For British officers of the Junior Service the allowance is £50 per annum for Grades II and I.

(*b*) *Cost-of-living allowance,* which is 5 per cent. of the minimum of an officer's salary scale (including expatriation and personal allowances) plus a fixed sum of £27 per annum in the case of senior officers and £9 in the case of junior officers. This allowance was originally introduced in 1920, when it amounted to 10 per cent. of minimum salary plus fixed sums of £36 per annum and £12 per annum respectively. The percentage allowance was reduced from 10 per cent. to 6 per cent. in 1922, and was again reduced, together with the fixed sums, to the present figures in 1923. When first introduced, the allowance was to be temporary and subject to reduction should the cost of living decrease ; we have, however, been unable to find that any definite arithmetical or other basis was ever laid down to govern the relation either of the original allowance or of the subsequent reduced allowances to the cost of living in Palestine. The original allowance appears rather to have been merely an addition to basic emoluments, fixed with reference partly to the previous Army emoluments of officers transferred from the military to the civil Administration and partly to what were assumed to be the minimum total emoluments necessary. Similarly, the reductions made in 1922 and 1923 were made in the interests of economy and have no definite relation to changes in the cost of living ; there were in fact no data on which such changes could be calculated, since the only available index of local retail prices was based on expenditure amounting in 1922 to £132 a year out of the family budgets of a number of Arab officers of the Junior Service. While, as we shall later suggest, the index cannot be ignored in dealing with Junior Service salaries, it is of little use as a guide to the cost of living of senior officers on the higher scales of pay.

(*c*) *Housing allowances.*—The Government is under no obligation to provide houses for its officers, and the assistance given is confined to married officers in receipt of expatriation allowance and not normally resident in Palestine. In some cases the Government undertakes to lease houses, and lets them to officers at rentals equivalent to ten per cent. of their total emoluments and involving a loss to the Government ; whilst other officers (being below Grade F) rent their own

accommodation, and receive fixed allowances intended to represent the difference between the rents they may be expected to pay and the 10 per cent. rental they would pay if the Government leased houses for them.

(*d*) *Compensatory allowances,* which were awarded to certain officers in 1927 to compensate them when their salaries, which had previously been payable in Egyptian currency, became payable in the new but slightly less valuable Palestinian currency. The number and amount of these allowances will gradually diminish.

No income tax is levied in Palestine.

Changes proposed.

192. The salary scales of the Senior and Junior Services have been altered on various occasions in the past, partly in connexion with changes in the organization of the new Administration, and partly as a direct means of securing economy at times of special financial stringency. We do not propose to set out such changes in detail. Our concern is with the present position, and the question whether any changes in the system and scales of remuneration are required.

(a) Senior Service.

The existing scale of Class 3 is not appropriate in the case of British officers who are recruited to fill, after a few years of training, posts now in Class 2, and will later be promoted to appointments in still higher grades. Such officers would, owing to the small annual increment in Class 3, be underpaid during the earlier years of their service, and on promotion to a Class 2 appointment would receive an unnecessarily large increase of salary. And the difficulty cannot be met simply by raising the increment in Class 3, since provision must be made for the large number of officers who will spend the whole or the greater part of their career in that class, and for whom, therefore, a scale rising after a fairly long period to about £600 per annum is appropriate. For this reason we think that there should be a time-scale for officers recruited from England for posts in the District Administration above that of District Officer and in the Secretariat. We suggest that such officers, whilst holding appointments below that of Senior Assistant Secretary, should be on the following scale :—

Pay	£300	– 25 –	625	– 25 –	750	– 25 –	850
Expatriation allowance	£50	–	100	–	150	–	150.

No house or cost-of-living allowance should be paid in addition to this scale. The posts of Senior Assistant Secretary should be on the scale of £850 – 25 – £1,050 with an expatriation allowance of £150,

and the pay of the Assistant Chief Secretary should be £1,150 with an expatriation allowance of £150. We do not think that these salaries are excessive ; they are somewhat higher than those which we suggest later for other departments, but the difference is justified by the need for men of exceptionally high qualifications in the Secretariat and the District Administration. Further, in view of the fact that so many officers have been on the maximum of their scale for so many years, we recommend that the revised scales should be introduced at once.

193. We do not think that a long time-scale, such as we have suggested for the Secretariat and the District Administration, either would be suitable for, or is necessary in, any of the other departments ; nor do we consider that the present total emoluments of the Senior Service in those departments need be materially altered. The main change we would suggest is that the present basis of remuneration should be simplified by the introduction of revised scales inclusive of the cost-of-living and house allowances. The expatriation allowance should be retained and payable under the same regulations as at present but, as a result of the inclusion of the former two allowances within the basic scale, the rates of expatriation allowance will have to be increased. We further think that the annual increment of salary for Class 3 officers should be increased from £10 to £15.

194. On this basis we make the following proposals for the revision of the remuneration of Classes 3 to 1 of the Senior Service, excluding the posts in the Secretariat and the posts in the District Administration above that of District Officer.

Class 3.—At present the Palestinian officer's total emoluments (that is, salary and cost-of-living allowance) rise from £342 by annual increments of £10 to £592. The married British officer's emoluments (that is, salary, cost-of-living allowance, and house allowance of £40) rise from £434 to £684 ; single British officers do not draw the house allowance.

We propose that the new inclusive Class 3 scale should be £350 – 15 – £600, with an expatriation allowance, where payable, of £50 in the case of single officers and £100 in the case of married officers.

Class 2.—On the same basis, the Palestinian officer rises from £604 by annual increments of £25 to £804, and the married British officer (with a house allowance of £30) from £739 to £939.

We propose that the new inclusive Class 2 scale should be £600 – 25 – £800, with an expatriation allowance, where payable, of £150.

Class 1.—Again on the same basis, the Palestinian officer rises from £814 by annual increments of £25 to £1,014, and the married British officer (with a house allowance of £20) from £939 to £1,139.

We propose that the new inclusive Class 1 scale should be £800 – 25 – £1,000 with an expatriation allowance, where payable, of £150.

It will be noted that, by including house allowances (at the Jerusalem rates), for the purpose of arriving at suitable new inclusive scales, we have, in Classes 2 and 1, given an advantage to single British officers who at present are not entitled to any house allowance. In these two grades, however, the allowance is so small in relation to the total emoluments that the point can be ignored. In the case of Class 3 officers whose emoluments are much lower and who may be recruited, especially for technical posts, at relatively advanced ages, we have met it by suggesting a higher expatriation allowance for married officers.

195. It is clearly impossible for us to give more than a very rough estimate of the cost of our recommendations regarding the salaries of the Senior Service. Calculated at the means of the present and proposed scales, the extra cost of the latter may approach £20,000, of which about £13,000 may be attributed to the higher annual increment of the Class 3 scale. This extra cost will be offset to the extent of about £4,000 by the saving due to the abolition of house allowances. The immediate cost of the new scales will be very much smaller ; on the other hand, as existing officers will have to enter their new inclusive scales at a point equivalent to their present salaries plus cost-of-living allowance and the house allowance appropriate to their grade, there will be no immediate saving as a result of the abolition of the latter allowance. We estimate that the net extra cost during 1932 will be of the order of £2,000.

196. It may be expected that the supply of qualified Palestinian candidates, particularly for posts in the professional and technical departments, will increase in the course of time, and it may then be possible for the Government to recruit such candidates at lower rates of pay than are at present offered. Similarly it may happen that the field of recruitment of qualified British officers will extend, or, owing to a fall in the home rates of remuneration, service abroad becomes relatively more attractive. In either event the Government should reconsider the rates of pay now suggested with a view to deciding whether they continue to be appropriate in the changed circumstances.

(b) Junior Service.

197. After careful consideration we have come to the conclusion that the total emoluments of the Junior Service are somewhat high. In this case, the official index of the variations in retail prices, being based on the expenditure of £132 per annum by a Palestinian clerk in 1922, gives a fairly reliable measure of changes in the cost of living. The present cost-of-living allowance is equivalent to approximately 17 per cent. and 7 per cent. of the minimum and

maximum total emoluments respectively of Grade III, the corresponding figures for Grade II being 9 per cent. and 6 per cent., for Grade I, 7 per cent. and 6 per cent., and for the Special Grade 7 per cent. and 5 per cent. On the other hand, according to the index, the retail prices of 20 essential food and fuel commodities in 1930 were on the average 38 per cent. lower than in 1922 and 20 per cent. lower than in 1927, when the present scales of the Junior Service were fixed. We do not suggest that the emoluments of the Junior Service should be reduced in proportion to this fall in the index, which would involve a reduction of the basic salary scales as well as the abolition of the cost-of-living allowance. But we think that the payment of this allowance can no longer be justified, and we propose accordingly that the remuneration of officers of the Junior Service should consist only of the present basic scales of their grades, with the substitution of £66 for £60 as the minimum of the Grade III scale. These scales compare not unfavourably, even if no account is taken of the pensions for which these officers are eligible, with the salaries paid for similar work by private employers.

We have assumed that this change will result in a saving of £25,000.

Recruitment of clerks.

198. We think it desirable to establish a more satisfactory method of recruitment to the clerical grades in the Junior Service. When a vacancy occurs in a post in the clerical cadre either the department concerned or more usually the Chief Secretary's Office recommends a candidate whose name is taken from waiting lists of those who have at any time applied for such employment. The educational qualifications required of such candidates have never been definitely laid down, and the selection is left to the judgment of an officer who has little to guide him in exercising it. With the increasing out-turn from the Government secondary schools and the higher classes of the elementary schools there is an ample field of recruitment for the clerical and quasi-clerical posts in the Government service, and we recommend that vacancies in these posts should be filled by competitive examinations conducted once or, if necessary, twice a year, by a small Staff Selection Board containing representatives of the Chief Secretary's Office and the Department of Education. Appointments would be made strictly in order of merit according to the results of the examination, subject to the discretion of the Board to regulate the relative numbers of Arab and Jewish officers. If it is considered desirable, separate examinations might be held of local candidates for appointments in or near Jaffa and Haifa. Successful candidates would be allotted to departmental vacancies by the Board, subject to the issue of the formal establishment warrants by the Chief Secretary's office.

199. At present, candidates appointed to Grade III of the Junior Service, who have passed the London Matriculation Examination or equivalent examination, enter the Grade III scale at £84 per annum, instead of at the minimum of £60, and candidates holding a B.A. degree of the American University of Beirut enter at £144. The object is to attract candidates better educated than most of the men hitherto appointed. We think, however, that when competitive examinations are introduced these concessions should no longer be given ; they are not altogether fair to the clerk who has entered the service at an earlier age, and in view of the growing supply of boys educated at the Government schools and anxious for Government appointments it is undesirable and unnecessary to recruit any candidates at an initial salary more than three-quarters up the scale of Grade III.

200. In making these proposals we have had in view primarily the clerical posts, and similar appointments such as those for officers of Customs and Excise. We recognize that in the case of junior technical posts as, for example, in the Post Office or the Public Works Department it is inevitable, owing to the scarcity of candidates, that appointments should be made on the recommendation of the head of the department.

Grading of clerks.

201. A further matter to which we wish to draw attention is the system of grading and promotion in the clerical cadre. This cadre consists of a fixed number of permanent and temporary posts in each grade for the Government service as a whole, excluding certain "closed" services, that is, the Customs Department, the Post Office, and the Railways, and the number of posts allotted to each of the three Grades I to III is approximately in the proportion 1 : 3 : 10. As the cadre is fixed for the service as a whole, it follows that (apart from the Chief Clerks in certain departments, who are graded in the Special Grade) no specific grade is attached to specific clerical posts. Moreover, promotions relate to vacancies in the cadre, not to vacancies in higher posts in an individual department ; and as promotion is governed primarily by seniority, tempered by selection, an officer who is promoted from a lower to a higher grade will not necessarily undergo any change of duties or of department. In short, neither the grading of the posts in a given department, nor the pay of individual officers, necessarily bears any relation to the duties of the post or the officer. This arrangement is held to be necessary in order to provide a reasonable career to clerical officers in whatever department they may be serving and to avoid the unequal advancement which otherwise tends to result from the fact that officers serving in a department employing a large staff have more opportunity for promotion than those in small departments. As an example of the effect of the present system it may be mentioned

that the staff of 22 clerks at the headquarters of the Department of Health includes a Chief Clerk, 4 Clerks Grade I, and 5 Clerks Grade II. This staff is clearly over-graded on the merits of the work to be done, and the necessity of accepting such an arrangement removes from the head of a department any incentive to ensure that the clerical duties of his department are performed as economically as possible. The alternative to the present system is to provide that the grading of the clerks in a department shall be related strictly to the work to be done by them, and that the promotion of a clerk, which involves a substantial increase in his remuneration, shall carry with it a corresponding increase in his responsibilities. In order to ensure equal opportunity of promotion as far as possible to all clerical officers, all clerks with the necessary experience and merit, in whatever department they are serving, should be considered for promotion whenever vacancies occur in a higher grade, and transfers should be made on such promotion, if necessary, from one department to another. Apart from the "closed" services, which are already excluded from the clerical cadre, we do not think that the clerical work in any department can be regarded as so specialized that it cannot be adequately performed by an intelligent and experienced clerk promoted from another department.

Special increments.

202. We understand that it has been the practice to grant accelerated increments, within the salary scale of their grade, to officers of the Junior Service who are particularly well reported on by the heads of their departments. This practice appears to us to be very undesirable in a graded service, paid on definite incremental scales common to all departments, and we recommend that it should cease.

Typists.

203. At present, posts for shorthand typists and typists are included in the clerical cadre, and in many cases the grading is unduly liberal. This not only results in overpayment for typing work but also inflates the number of higher clerical posts which have been regarded as necessary to provide a reasonable flow of promotion. It has already been decided that in future women typists shall not, except in very special cases, be eligible for promotion beyond the maximum of Grade III. We think that the Government should go further and arrange (1) that women engaged on whole-time typing work are separately graded as such, outside the clerical grades; and (2) that typists shall not proceed beyond a maximum salary of £120 unless they are proficient in shorthand writing, and are employed thereon for a substantial part of their time.

Clerical Complements.

204. If the basis of the grading and promotion of clerks is revised as suggested in paragraph 201, there will be no need for the continued existence of a "clerical cadre" for the Government as a whole; some central machinery for making promotions will be necessary, but clerical complements will be laid down for departments individually. It will be the duty of the Secretariat, as a matter of financial control, to see that such complements are not excessive, and for this purpose an officer should be deputed at suitable intervals to examine on the spot the work of the clerical staffs. On present numbers, particularly if typists are graded apart from the clerical grades, the proportions of Grade I and Grade II posts appear on the whole to be generous, and we think they might be reduced somewhat. Moreover, as a result of our examination of the present clerical establishments of some of the departments (on which we have submitted detailed notes privately), we think that an over-all reduction of 5 per cent. in the number of clerks in each of the Grades I to III could be made without any real loss of efficiency.

Housing of Officers.

205. The Government at present rents 80 houses as residences for married non-Palestinian officers, at a total rent of £9,509, against which are to be set contributions by officers (at 10 per cent. of their emoluments) amounting to £6,695; the net annual cost to the Government under this head is therefore £2,814. (The net cost is in fact likely to be somewhat greater in any year since, owing to changes in the stations of officers, houses may stand vacant for short periods; at such times the Government has to continue paying rent but does not recover rental charges from any officer).

Where a married non-Palestinian officer of or below Class I of the Senior Service rents his own residence direct, he receives a house allowance according to the following scale :—

	Jerusalem and Jaffa.	*Haifa.*	*Other Towns.*
Senior Service :—	£	£	£
Class 1	20	12	—
Class 2	30	20	12
Class 3	40	30	24
Junior Service ..	48	36	30

As stated in paragraph 191 (*c*) these allowances are intended to represent the difference between the rent which an officer may be expected to have to pay for his house, and the rental charge of 10 per cent. of his emoluments which he would have to pay to the Government if the latter leased a house for him. The total sum paid by way of these allowances in 1930 was £2,195.

If the Government did not rent the houses referred to in the first part of this paragraph, it would have to pay to the officers concerned, according to the authorized scale, allowances amounting to £1,960 a year, representing a saving of £854 on the net cost of the present arrangements.

206. Houses suitable for occupation by British officers have hitherto been scarce in the larger towns, and in Jerusalem the known demand on Government account has enabled the landlord to exact relatively high rents. Thus, according to representative figures supplied to us, the approximate average rent (exclusive of rates) paid by or on behalf of 17 Class 1 officers is £135 a year ; in the case of 28 Class 2 officers, £110 ; and in the case of 25 Class 3 officers, £95. The sizes and types of houses available vary considerably, but, in addition to halls, conveniences, and, usually, very small gardens, the Class 1 officers' houses contain from five to seven rooms, those of Class 2 four to six, and those of Class 3 three to five rooms. On the ground that the building of even a limited number of additional houses for Government officers near Jerusalem might be expected to bring down the general rents of houses in the district, the Palestine Government have been considering a scheme to build forty-five houses, on a site on the Bethlehem Road, suitable for officers of Class 2 and upwards. The site would accommodate a further fifteen houses in due course, and a sports ground. The total cost of the land is estimated at £85,000 and of the construction of forty-five houses at £120,000. The Government cannot afford to provide such sums out of revenue, nor can they find them from their surplus balance. The money would therefore have to be borrowed, and at any reasonable rates of contribution by the forty-five officers (say, the present 10 per cent. of emoluments) we cannot see that the interest and sinking fund on the necessary loans could be covered without a subsidy from the Government much more expensive than the present method of assistance. We do not think, therefore, that this is a practicable proposal.

207. We have suggested above, in paragraphs 192 and 193, that the revised scales of salaries to be laid down for the Senior Service should be inclusive of the housing allowances at present paid. We also think that the time has come when the Government should no longer undertake to lease houses on behalf of officers of the Senior Service. The first reason usually given for this practice is that in many cases landlords demand payment of a year's rent in advance when the lease is taken out, which is a serious burden on an officer especially if he is furnishing his house for the first time. This difficulty could, however, be met if the Government were to undertake, in cases where the necessity for such action was proved, to advance the amount of the first year's rent against repayment out of salary by instalments over a period to be determined. The second reason is that where an officer is transferred from one station to another unexpectedly or at short notice he may incur a loss of rent already paid in advance, if he is unable to recover it from his successor (who may not wish to take the house over) or to find another tenant immediately. In such cases, where unavoidable loss is proved, we think it would be reasonable for the Government to compensate the officer. (The Government itself in fact already suffers a corresponding loss in cases where the lease of a house has not expired when an officer

is transferred therefrom and his successor decides to find his own accommodation. We think that so long as the Government continues to lease houses for officers it should be obligatory on the successor to occupy the house if a substantial portion of the lease is unexpired.) On the other hand the rents paid by the Government (of which particulars were supplied to us by the Public Works Department) are definitely higher than those paid by officers for houses privately rented. Our view is, therefore, that in future, officers of the Senior Service should be left to find their own accommodation and meet the full rent thereof out of such revised salary scales as may be decided on. The saving of the net cost of leasing houses and on house allowances might be assumed to be £4,000 a year, which can ultimately be set off against the extra cost of the revised salary scales.

The present arrangements might be continued for the few officers of the Junior Service who are concerned.

Passages.

208. At present British officers in or below Class 2 of the Senior Service and all British officers of the clerical service not below Grade II are granted half the cost of first or second-class return passages to the United Kingdom for themselves and their families (if any) once every three years.

The Palestine Government has recently proposed the payment of full passages instead of half passages to married British officers up to and including those in Class 1 of the Senior Service, and to all married British officers of the Junior Service. We have been informed that such a concession would not be more generous than is accorded to British officers serving in British Colonies and other Mandated Territories, and on that understanding we think that it should be sanctioned. The annual extra cost involved is about £4,200.

Travelling Allowances.

209. Certain officers have been required to keep motor cars which they can use when travelling on duty, and in respect of which they draw one of three main types of allowance : a consolidated allowance of £15 or £13 a month, an allowance consisting of a fixed sum of £6 a month and 7 mils a kilo travelled, or a purely kilometric allowance of 15 mils a kilo. Other officers receive similar, but smaller, allowances for the use of their motor-cycles, or allowances of £5, £3·250, or £2 a month in respect of horses or donkeys. One Deputy District Commissioner and three Area Officers in the District Administration draw both motor car allowance and horse allowance. Several officers in the Police Force draw both motor car allowance and forage allowance (1*s.* to 1*s.* 6*d.* a day) for their horses. The amount of the allowance is based largely but not entirely on the grade of the officers concerned, and to that extent is hardly equitable. The true criterion is not the salaries of the officers concerned but the amount of travelling necessarily done by them in the performance of their duties.

The special enquiry which the Palestine Government are proposing to make into the system is therefore justified and we will only refer to two points which are of importance in this connexion. In the first place consideration should be given to the means of travel which officers ought to use ; we have, for example, already suggested (in paragraph 25) that District Officers should, except in cases of emergency, travel on horseback and not by motor car. In the second place, a system of consolidated allowances, related more or less approximately to the amount of travelling on duty likely to be done, has the great advantage of avoiding much calculation and checking of mileage and of the cash allowances to be made in respect thereof.

210. Transport and travelling allowances of various kinds account for the provision of no less than £62,000 in the Palestine budget for 1931. Such a large expenditure justifies careful control, and even with an extended use of consolidated as opposed to mileage allowances, large numbers of claims will still have to be made and examined for subsistence and other allowances when travelling. We are, however, not satisfied that the control at present exercised is of the right kind. It is over-centralized and relies on a system of multiple signatures and counter-signatures, which are to a large extent merely formal and tend to divest the officer nearest the scene of travelling of nearly all his responsibility for financial control. We can, for example, confirm the view of Sir Herbert Dowbiggin that in the Police Force this weakness is particularly evident. An officer's or constable's claim for repayment of transport and travelling expenses has to be submitted in triplicate, each copy being signed by the claimant, by his Assistant District Superintendent, by the District Superintendent concerned, and finally by the Personal Assistant to the Commandant in Jerusalem. Where more than one individual's claim is submitted for payment at one time, a summary of the claims is also signed in triplicate by the three officers last mentioned. In other departments, claims are sent up to headquarters for signature by the head of the department personally We think this system is wrong in principle. Wherever possible the head of a department with large staffs in the districts should allocate the major part of his provision for transport and travelling to the officers in charge of the districts, and leave it to them to see that their allotted provision is spent to the best advantage and is not exceeded. Only in the most exceptional circumstances should further expenditure on travelling be allowed to a department by special warrant over and above that provided in the original Estimates ; so far as we can gather, such special warrants are too frequently and too easily granted at present.

211. The interpretation of the existing regulations governing the payment of transport and travelling allowances is also over-centralized. We noted cases where the approval of the Secretariat had to be obtained for the payment for one seat in a motor car plying

for hire, although the officer could travel much more quickly in this way than by train. Reimbursements of petty incidental expenses have also to be approved by the Secretariat. We think that the regulations should be revised so as to get rid of this kind of reference to higher authority and that a reasonable discretion in the administration of them should be allowed to heads of departments. The right use of such discretion is more likely to be secured by a vigorous limitation of the amount of money available for departmental travelling than by an irksome and meticulous control by the Treasury or Secretariat.

Payment of salary to officers interdicted from duty.

212. We understand that under the Colonial Regulations, salary at half rate is paid to an officer interdicted from duty after being charged with an offence or an irregularity. A number of cases came to our notice where such charges involved the misappropriation of cash or of documents representing cash. In one case an officer who was awaiting public trial for a year received half-pay during that period and in the end was fined £10. In another case an officer accused of stealing £7,000 has written a confession but will nevertheless receive half-pay until he is tried and sentenced, which may not happen for several months yet. These anomalous results are accentuated by the delay (to which we have already referred) in bringing such cases to trial in the Courts ; but it may well be that in some instances a department would be justified, after due enquiry, in dismissing an officer on account of an irregularity or misconduct, independently of the question whether he should be prosecuted in the Courts. We think that the regulations should be amended to allow pay to be wholly suspended during a period of interdiction if, after consideration of all circumstances, such a course is held to be desirable in a particular case. When the case had been settled and the period of suspension had ended, the question whether pay for this period should be forfeited in whole or in part would be considered in the light, again, of all the circumstances ; one relevant factor would be, of course, any loss of public funds.

Redundant officers.

213. We have proposed in earlier chapters the abolition of a number of posts. We cannot recommend that these posts should be retained till the officers now holding them retire ; this would involve a sacrifice of public to private interests. Every effort will no doubt be made to provide for the pensionable officers affected either by transfer to other Administrations or by discharging non-pensionable officers and thus creating vacancies in the lower grades to which the pensionable officers can be appointed. Where neither of these courses is practicable, redundant officers, whose appointments are pensionable, will have to be compensated for the termination of their employment by the award of the pensions and gratuities payable under the Pensions Ordinance.

PART II.

THE RAILWAYS.

214. We have not attempted to investigate fully the organization and working of the Palestine Railways and the lines associated therewith. This is a task for which we had neither the time nor the expert knowledge necessary. But as the Government will be called on this year to find money to cover a deficit, and as the railways are also asking for further contributions towards a renewals fund, our report would be seriously incomplete if it omitted to refer to their financial position.

215. The railway system in Palestine consists of three separate lines: (1) The Palestine Railway proper is owned by the Palestine Government and consists of 325 kilometres of 4 ft. 8½ in. gauge (English standard), of which 238 kilometres stretch from Haifa to Rafa (on the Egyptian frontier) and 87 kilometres between Jaffa and Jerusalem; (2) the Kantara-Rafa Railway, known as the Sinai Military Railway, lies across the Sinai desert in Egyptian territory, is 203 kilometres in length and is also of 4 ft. 8½ in. gauge; (3) the Hedjaz Railway was constructed by the Ottoman Government, in the interests of the pilgrimage traffic, from donations supplemented by the proceeds of a special stamp duty tax, and consists of 527 kilometres of line of 105 centimetre gauge. The line is divided into four portions:—(i) Haifa to Acre (18 kilos.); (ii) Haifa to Semakh on the Syrian frontier (88 kilos.); the branch line from Affule to Nablus and Tulkarem (98 kilos.); and the line in Trans-Jordan from Nassib, on the Syrian frontier, to Ma'an (323 kilos.). The railway from Haifa to Ma'an is continuous, but the portion between Samakh and Nassib lies in Syrian territory and is operated by the Syrian railway authorities.

216. The three lines are under the same general management, but separate accounts are kept, because the Palestine budget is credited with the surplus revenue or meets the deficits of the Palestine Railway; the profits of the Sinai Military Railway are divided between His Majesty's Government, the Palestine Government, and a renewals fund; while any profits on the Hedjaz Railway are to be devoted, firstly, to the upkeep and maintenance of the railway and, after these charges have been met, to the assistance of pilgrims to the Moslem holy cities. We shall refer later to the desirability of unifying these three accounts; but as no single account is now maintained, it will be convenient to discuss separately the revenues and financial position of each railway. The expenditure, since the duties of the Senior Service officers are largely common to all these railways, can be considered as a whole.

Palestine Railway.

217. The revenue and expenditure of the railway, since it was taken over from the military authorities on 1st October, 1920, are shown in Appendix V. The railway was purchased from His Majesty's Government for £832,521, the price, which represented a scaling down by about 50 per cent. of the full valuation of the transferred assets, being paid out of the proceeds of the loan raised by the Palestine Government in 1927.

For the period from 1920 to the end of 1930, the total revenue exceeded ordinary expenditure by £593,951; but of that surplus £541,651* was spent on capital improvements (including £7,356 for capital expenditure for the Kantara-Rafa Railway, borne on Palestine Railway funds), leaving a net surplus balance of £52,300. Against this must be set an anticipated deficit of £49,561 on the 1931 accounts. Further capital improvements costing £1,532,272* have been already paid for out of the loan, and future capital expenditure (on new workshops at Haifa) amounting to about £103,000 will also be provided out of the loan. The capital valuation of the Palestine Railway at 31st December, 1930, as represented by the capital expenditure incurred thereon (excluding the cost of constructing the Petak-Tikvah line and the expenditure on the Kantara-Rafa Railway) was £2,841,992.

218. It should be explained that the surpluses and deficits above referred to do not indicate accurately the financial results of the working of the railway in past years. On the one hand, during the period 1st April, 1922, to 31st March, 1926, the railway did not receive payment for services rendered to other Government departments; the annual value of these services was about £50,000. On the other hand, the railway was not required before the year 1929 to meet any interest on its capital expenditure; the bulk of that expenditure (other than on the payment of £832,521 for the original transfer of the railway), although finally charged to loan funds, had in fact been incurred and defrayed in the early days of the Civil Administration out of interest-bearing advances obtained from various sources. Further, the operation of the railway is financed by Government without any charge for interest; at the end of 1929 and 1930 the Government advances outstanding on this account were £P.160,777 and £P.83,134 respectively.

219. It will be seen that substantial expenditure has been incurred in the last ten years on capital improvements to the railway. We do not suggest that this expenditure has been excessive, since, as we

*These items include £287,793 out of revenue and £219,145 out of loan funds for the purchase of the Jaffa-Jerusalem Railway; and £54,531 out of loan funds for the construction of the Petak-Tikvah Railway, against which is to be set an advance from the local land proprietors of £20,000.

mention below, the railway was originally constructed and maintained for special non-commercial purposes. But the fact remains that to a railway which, when taken over, was valued at about £1,600,000, capital improvements have been added out of loan funds nearly equal to that valuation whilst the payments for such works out of revenue have amounted to £540,000. Expenditure on improvements first began to be met from revenue in the year 1923–24, and since that date it has averaged £70,000 a year, or 18 per cent. of the revenue. For the years 1928 to 1931, however, it averaged only £18,000 a year, or about 4½ per cent. of revenue. The General Manager has estimated that excluding the present provision of £5,000 annually for minor new works an expenditure of about £23,000 a year will be necessary on capital improvements for the next five years.

220. *Renewals.*—The position in regard to renewals is not so satisfactory. No renewals fund exists for this railway, although the sum of about £20,000 included in the Estimates for ways and works may be said to be a provision for renewals. Little is provided for this purpose under the other heads of expenditure. Moreover, it is claimed that heavy expenditure cannot be avoided in the immediate future. The railway was built not as a commercial proposition but for military purposes, and the country does not now need a broad gauge line. Again, the Palestine and Sinai lines were hurriedly constructed of materials which were not as good as they ought to have been; they were inadequately ballasted and the gradients were often steeper, and the curves sharper, than is desirable in the case of a commercial railway concerned, among other things, to speed up its services as much as possible. It has been necessary therefore to reconstruct portions of the line. Some of the shunting engines used by the Army and taken over by the Government are now fifty years old and badly need replacement.

221. The condition of the line and rolling stock is thus far from satisfactory. The General Manager claims that an expenditure of £90,000 a year for the next five years is necessary on the Palestine Railway—£45,000 on ways and works and £45,000 on locomotives—representing roughly 22 per cent. of the revenue. This is a much higher percentage than would be allocated to renewals or depreciation by any railway company operating under ordinary commercial conditions. In certain colonies, whose railway accounts we have seen, the provision for this purpose appears to amount to from 7½ per cent. to 10 per cent. of total revenue. It must be admitted, however, that in the special circumstances now obtaining comparisons between the Palestine Railway and commercial or colonial railways will not be valid for several years to come.

222. The General Manager has suggested to us that the railway should not be expected to provide out of revenue both contributions to a renewals fund and sinking fund charges (in addition to interest)

on the portion of the guaranteed loan allocated to the purchase or the improvement of the railway; he argues that this is equivalent to providing twice over for the maintenance of the original value of the line. Sinking fund charges amount to about £29,000 a year, and the General Manager suggests that they should be met out of the general revenues of the country, as is now the case in at least one British colony. In that colony the Government bears the sinking fund charges on the condition that the railway maintains the value of its assets. We are, however, not convinced that where a Government borrows in order to finance the purchase and improvement of a railway it should itself provide for the amortisation of the loan. It is not in the position of a private individual investing his own moneys in a commercial undertaking. It has to provide for the repayment of the loan at the due date and in the meantime to pay interest on it. Comparisons with private undertakings do not hold good in such circumstances, except in so far as the Government may be compared with debenture holders, and there appears to be nothing illogical, but much that is convenient, in arranging that the railway shall bear a part of all the charges, including the sinking fund of 1½ per cent. per annum, on the loan, in proportion to its benefit therefrom. For the moment, however, the question is rather academic since it is clear to us that the Government cannot avoid making some special contribution towards a renewals fund in the immediate future.

223. *Revenue.*—We cannot point with certainty to any one direction in which the net revenue of the railway will increase in a definite period of years. The most likely source of increased receipts is the orange export trade. The orange industry is counting on an expansion in exports from the present figure of 2,800,000 cases annually to about six million in the next ten years or so; and this expectation may be realized, though it assumes that the demand in the European market for Jaffa oranges at present prices will keep pace with the supply. We are informed that the shipments from Jaffa are already as large as that port can handle, and that any further exports must therefore be shipped from Haifa, to which even now half a million cases are sent. We think that if the production of oranges does expand greatly, Haifa will probably secure the greater part of the increase; though if it is to do so it may be necessary for the railway, as representatives of the trade have urged, to provide more sheds for loading and unloading both in Haifa itself and at intermediate stations in the orange-growing area. The carriage of an extra four million cases would yield, at the present flat rate of a hundred mils a case, an additional revenue of £100,000; but it would be unsafe to reckon on any figure as high as this.

224. There appears to be little scope for an increase in the present rates for either passenger or goods traffic. Both classes of rates have necessarily been cut to meet the growing competition of road

traffic,* while the charges for certain kinds of heavy goods which must go by rail in any case have been criticized as unduly high. The railways have endeavoured, and with some success, to meet the competition of the roads by providing local train services with Sentinel-Camell steam cars. Arrangements have also been successfully made to encourage through traffic between Egypt and the Lebanon by combined rail and road services. Some further increase in traffic may be expected if the projected through railway connexion with the Lebanon materializes. We are more doubtful of the effect on the Palestine Railway revenues (as distinct from those of the Hedjaz Railway) of the construction of the proposed Haifa–Bagdad Railway. The carriage of the Palestine Potash Company's products, salts from the Dead Sea, may prove a minor new source of revenue, but the prospects of the enterprise are as yet too vague to warrant a definite estimate.

225. On the whole, therefore, there is no clear hope, apart from the gradual expansion of the orange traffic, of any appreciable increase in the Palestine Railway revenue during the next five years. There is, in fact, one large item of present revenue which will disappear in the near future. Approximately £50,000 of the revenue of both 1930 and 1931 is due to the stone traffic for the construction of the new Haifa harbour. This traffic will cease as the harbour nears completion in 1934, and for our purposes we propose to assume that this loss of revenue will be roughly balanced by the increased revenue from the orange trade.

Sinai Military Railway.

226. This railway was first separated for accounting purposes as from 1923–24, and has since always shewn a surplus. This consistently good record, as compared with less favourable results of the Palestine Railway, appears to be due to the facts that the traffic over it is through traffic involving relatively little outlay on terminal and similar charges, that the railway bears no debt charges, and that expenditure on capital improvements is borne by Palestine Railway funds. The total surplus of the railway for the period between 1st April, 1923, and 30th December, 1930, as shewn in Appendix V, amounts to 12 per cent. of the total revenue of these years. Under the agreement with His Majesty's Government the Palestine Railway operates the line as agents of the Air Ministry Expenditure on capital improvements to the railway after the 1st April, 1923, was to be met out of Palestine Railway funds, and

*As regards road competition, whilst it is clearly impossible to restrict the use of the roads solely in the interests of the railway revenue, there is reason to believe that the control at present exercised in regard to speeds and load is not satisfactory. The cost of maintaining the roads falls mainly on the Government, which is therefore justified in imposing restrictions that will prevent excessive wear and tear.

the sum contributed on this account up to the end of 1930 was £9,897; the capital valuation of the railway at the time of the agreement was £409,375. Half of the net earnings of the railway is to be credited to the renewals fund, and the other half is to be divided between His Majesty's and the Palestine Governments in the proportion which the original valuation of the railway bears to the subsequent capital expenditure of the Palestine Railway. On this basis, half of the net earnings to the end of 1930, that is, £62,713, has been or is being paid as to £61,233 to His Majesty's Government, and as to £1,480 to the Palestine Government. The other half of the net earnings has been credited to a renewals fund, out of which £7,770 has been spent, leaving a balance in the fund of £54,943 on the 30th December, 1930. The General Manager considers that it will be possible to keep expenditure on renewals for the Sinai Line within the limits of the fund during the next five years, and we certainly think that this should be the case. It may be added that the renewals fund is not credited with interest on sums invested through the Palestine Government. We think that this should be done in future, although it will reduce the amount to be derived by the Palestine Government from interest on its invested balances generally.

227. It will be seen that the estimates of revenue and of net earnings for the year 1931 show a considerable reduction from the figures of recent years. The profits of the two preceding years were largely due to exceptional movements of troops and military stores, but two other causes have also contributed to the decrease, namely, (1) the loss of through oil traffic from Egypt as a result of the oil installations at Haifa (the revenue from oil distribution at Haifa will accrue to the Palestinian Railway) and (2) the higher duties levied by Egypt on imported fruit. These duties have been still further raised since the Estimates for 1931 were framed, and the export of melons and low-grade oranges has practically ceased.

The Hedjaz Railway.

228. The financial position of the Hedjaz Railway (for which separate accounts have been kept from the 1st April, 1924, only) is less satisfactory. Up to the end of 1930 the annual deficits had exceeded the surpluses by £25,937. This net deficit has been met by means of advances from the Palestine Government, to which the railway owed £44,732 on the 31st December, 1930. The debt was substantially reduced during 1930, but more than half the profit shewn for that year was attributable to one large special payment of arrears of rent due from the Customs Department. The revenues, however, have shewn a marked improvement in recent years, due partly to the increased transport of cereals and passengers, and partly to the transport of material for the Electric Corporation's

installation at Jisr el Mejamie. The early completion of this work is likely to reduce the goods traffic revenue of the railway. A surplus of only £3,857 is anticipated for 1931.

229. There appears to be no need to provide funds for any special renewals on this line for many years to come. The line is well laid, and as the stations are not inhabited it is not necessary to keep them up to the same standard as on the other lines. There are some fifty locomotives which are lying idle, and are never likely to be used. The Manager should consider whether some of them should not be disposed of before they deteriorate, and in order to reduce maintainance expenditure. We suggest, too, that the branch line from Affule to Nablus and Tulkarem should be closed. There is very little traffic on it and although we are informed that the revenue just balances the expenditure we see no object in postponing a decision until the question of renewing it arises.

230. A number of financial questions are outstanding between the three railways, which affect their accounts in varying degrees. We have not thought it necessary to enquire closely into these matters, but it would clearly benefit all concerned if they were settled as soon as possible.

Expenditure of the Railways.

231. The estimated expenditure for 1931, which, as we have stated, is largely common to all three railways, is divided among various heads in Appendix VI.

232. *Senior staff.*—The traffic side is under the direction of the Assistant General Manager (Grade E) who is also Superintendent of the Line. He has the following staff under him :—

One Assistant Superintendent of the Line (S.S. 1) ;

Four District Traffic Superintendents (S.S. 2), one of whom is at headquarters, and the other three are for the Haifa, Lydda, and Kantara districts respectively ; and an Assistant District Traffic Superintendent (S.S. 3) at headquarters ;

One Running Superintendent (S.S. 2) and two Assistant Running Superintendents (S.S. 3) ; and

One Chief Clerk (S.S. 3), who is used as an Assistant District Traffic Superintendent.

A post of Trains Controller (S.S. 3) has recently been abolished.

We think that the traffic staff at headquarters is excessive. Besides the Assistant General Manager, there is an Assistant Superintendent of the Line, a District Traffic Superintendent, an Assistant District Traffic Superintendent, and a Chief Clerk, who is, we understand, in fact acting as an Assistant District Traffic

Superintendent. We suggest that the post of Assistant Superintendent or in the alternative that of the District Traffic Superintendent should be abolished.

We understand that it has already been decided to abolish the post of District Traffic Superintendent at Kantara as soon as a vacancy occurs (which should be a vacancy in any one of these posts) and to reduce one of the remaining three posts to Class 3 of the Senior Service.

As regards the Running Superintendents, one of the posts for Assistants is vacant and will not be filled. We think that there should be not more than two posts in this branch, both in Class 3.

233. The senior staff of the Mechanical Engineering branch consists of :—

One Chief Mechanical Engineer (S.S. 1) ;
One Assistant Chief Mechanical Engineer (S.S. 2) ;
One Works Manager (S.S. 2) ;
One Carriage and Wagon Works Manager (S.S. 2) ; and
One Chief Boiler Inspector (S.S. 3).

We doubt whether the post of Assistant Chief Mechanical Engineer is required ; it has been suggested that it is necessary in order to provide reliefs for the Chief Engineer and for the Works Manager, but we hardly think this is a sufficient justification for its retention.

The Chief Engineer's staff is as follows :—

One Chief Engineer (S.S. 1) ;
Two District Engineers (S.S. 2) and two Assistant District Engineers (S.S. 3) ;
One Chief Draughtsman and Surveyor (S.S. 3) ; and
One Telegraph and Signal Engineer (S.S. 2).

Normally one of the District Engineers is stationed at Lydda and is in charge of the Palestine Railway line from Kantara to Haifa, while the other District Engineer is in charge of the Hedjaz Railway line from Haifa to Ma'an.

There is usually also an Assistant District Engineer in each district. At present one of the District Engineers is engaged on the construction of the new workshops at Haifa, and the Hedjaz Railway is in charge of an Assistant. We suggest that when the workshops are completed, one of the posts of District Engineer should be abolished, the Hedjaz Railway remaining in charge of an Assistant.

The Chief Draughtsman does, in fact, little drawing and acts rather as the only assistant to the Chief Engineer at headquarters. We have no comments to make on this arrangement.

234. The senior officers in the Accounts Branch are as follows :—

One Chief Accountant (S.S. 1) ;

One Assistant Chief Accountant (S.S. 3) ; and

One Assistant Accountant (S.S. 3).

We do not suggest any reduction of posts here, but see no reason why the second post should be upgraded to Class 2, as is proposed in the Estimates for 1931. The Estimates also suggest that there has been a reduction this year from three to one in the number of Assistant Accountants ; the suggestion is misleading since there has never been more than one Assistant Accountant.

The Superintendent of Stores is an officer in Class 2 of the Senior Service. It is proposed to replace a Grade I clerk by an Assistant Superintendent. We do not think that this is necessary ; it will be sufficient to raise the existing post to the Special Grade.

235. The recruitment of the senior technical staff of the railways is a matter that demands attention. It should be the aim of the management to recruit Palestinians for as many of these posts as possible. We suggest that, as we have already recommended in the case of the Public Works Department and the Post Office, in order to give Palestinians opportunities for acquiring a practical training in engineering, scholarships in England should be granted to promising candidates.

236. *Junior staff.*—We have not attempted to examine the distribution and work of the Junior Service in detail, with the exception of the clerical staff (numbering seventy) in the Accounts Branch. The General Manager and the Accountant are not themselves satisfied that this staff is not larger than is necessary. We suggest that—

(*a*) Steps should be taken to simplify the present division of all accounts between the Palestine, Sinai, and Hedjaz Railways. This involves the allocation to its proper account, and in accordance with very complicated formulae, of every receipt and payment. Moreover, every item in the railway estimates is allocated between the railways, and adjustments between estimated and actual expenditure, such as those leading to the issue of special warrants, require therefore very involved explanations and calculations. So far as the Sinai Railway is concerned, it should be arranged, if possible, that His Majesty's Government should accept, in lieu of an elaborately calculated share of the profits, an annual rental fixed in advance for a period of years and reviewable periodically. For the Hedjaz Railway, which, as stated above, is in debt to the Palestine Government, a less meticulous division of revenue and expenditure, at longer intervals, should be practicable.

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(*b*) At present, Station Masters have no rate book to work on. They assess traffic on the bases laid down in very numerous circulars issued over a period of many years. It is therefore not surprising that their rating work is very faulty and requires close checking. We were informed that about 90 per cent. of their charges are found to be wrong, involving the issue of about sixty debit notes every ten days to the sixty-seven stations. A rate book is now being prepared, and we hope that its issue will be expedited. This issue will make it possible to reduce substantially the extent of the check on station revenues carried out at headquarters.

(*c*) Accounts are made up every ten days, the main object of this short accounting period being the greater control of station revenues. When the new rate book is issued the same control will not be necessary and the period might be extended to one month.

(*d*) Military traffic is carried at preferential rates, the preferences varying in amount according to the class of traffic. Work would be saved if this traffic were charged ordinary public rates less some equitable fixed percentage.

(*e*) We understand that an experienced railway accountant is visiting, or is to visit, various British Colonies in order to advise on railway accounting systems, and we think it would be useful if he could visit Palestine also. It may well be that the present accounting system could be improved and made more economical in many ways other than those which we have mentioned.

The financial position of the railways makes it imperative that no opening for economy should be overlooked. We recommend, therefore, a thorough examination of the junior staffs in the administrative and technical branches. It will probably be found that some reduction is practicable. There are, for example, no fewer than 202 clerks provided for in the Estimates for 1931, distributed as follows :—

Engineering	20
Mechanical Engineering	20
Traffic	69
General Manager	11
Chief Accountant	70
Stores	12
	202

An effort should be made to reduce this total by 10 per cent. in each of the Grades I to III, which would effect a saving of about £3,000. Proposals have been made for regrading the clerical staff,

which will cost about £1,000 per annum. The new grading appears to be more costly than that approved for other departments. The proposals should be re-examined both from this aspect and in the light of any reductions in staff that may be found practicable.

237. *Other expenditure.*—In view of the urgent demand for renewals the expenditure on labour and materials for maintenance can hardly be reduced. But the General Manager estimates that if his programme of renewals involving the expenditure thereon of £90,000 a year for five years were carried out, there would be a resultant annual saving of about £5,000 on Ways and Works and the smaller programme which we recommend later will thus save about £2,500 a year under this head.

Debt charges cannot be reduced, nor so far as we can see can those under the other heads of the budget.

238. We understand that a proposal has been made to establish an agency for the railways in London, with a branch office, during the tourist season, in Cairo, at a cost of between £3,000 and £4,000 a year for the London Office and £1,600 for the Cairo branch. The openings for trade in Palestine are already known to manufacturers and merchants and the only possible benefit would be to the tourist traffic. Indeed, the main reason put forward for the proposal is that there is a growing tendency for tourists to go to Palestine in smaller parties, who do not necessarily use the existing tourist agencies. We think that this is a matter that can safely be left to private enterprise. If there are tourists for whom the present agencies do not cater, their needs will soon be met by other firms.

239. At present, the subordinate technical staffs and the clerks are not entitled to pensions, nor is there any provident fund for them. Some provision for superannuated employees is no doubt desirable and a provident fund, such as some of the privately-owned railways in India have introduced, would probably in the long run cost less than pensions. An early decision, however, is not necessary, and the questions should be carefully examined in the light of the practice in the Colonies and in India.

240. *Future prospects.*—Our examination of the railway budget has necessarily been less thorough than a railway expert devoting his whole time to it would have made, but our impressions may be summed up as follows. There is no definite prospect of increased revenue on any of the railways. On the expenditure side the only economies practicable in the near future are in the cost of administrative and technical staffs. The reductions suggested by us may be estimated, at the means of the present scales, to produce savings of between £4,000 and £5,000 ; a further sum of £3,000 can be saved if it is found practicable to get rid of twenty clerks, and a reduction

of about £5,000 would follow from our proposal to abolish the cost-of-living allowance in the Junior Service. These savings will, of course, accrue in various proportions to each of the three railways, and we have assumed that the Palestine Railway would benefit to the extent of £8,000. It is clear from these figures that the Government cannot hope to escape from the necessity of giving some financial support to the railways in the immediate future. The deficit on the current year's working of the Palestine Railway has already been provided for in the Government's budget and, apart from the savings that our recommendations may yield, it would be unsafe to assume that a smaller provision will suffice for some years to come. We recommend further that the Government should undertake to provide, out of its surplus revenue balance, sums of £60,000 in each of the next two years, and if necessary further sums of £40,000 in each of the following three years, for the most urgent renewals on the Palestine Railway. This is little more than half what the General Manager demands for renewals during the next five years, but we are satisfied that the Government cannot undertake to meet expenditure on the scale he proposes. The suggested contributions would, of course, be conditional on the prior settlement of the normal basis on which the renewals fund should be financed and spent.

The greater portion of the capital expenditure proposed by the General Manager could be met by an annual provision of £20,000, approximately equal to that made in the current year's budget. This provision should be carefully reviewed with a view to eliminating all items of expenditure which can possibly be postponed.

241. *Powers of the General Manager.*—We think that a greater measure of discretion should be left to the General Manager of the railways in regard to matters which would ordinarily be regarded as details of commercial management. In theory, proposals for altering rates and similar questions must be submitted by the General Manager to the Railway Board, which consists of two District Commissioners, the Deputy Treasurer, the Director of Public Works, and the General Manager. The Board can only make recommendations, and the General Manager's proposals must be finally approved by the Chief Secretary. (The "Codification of the Powers of the General Manager" is full of references to the controlling power of the Secretariat.) The Railway Board, however, only meets at long intervals of three months or so, and in practice proposals are usually submitted by the General Manager direct to the Secretariat. We think that the Board as at present constituted serves no useful purpose. If it is to be retained, as we think it should be, it should be strengthened, as we have proposed in paragraph 2, by the addition of representatives of the industrial (including agricultural) and commercial communities. But its function should then be to advise on railway questions of general interest ; it should

not be concerned with the questions that arise in the day-to-day management of the railways and demand an immediate or very early decision. Nor should the Secretariat retain control of the latter. We have seen several cases where such control involved serious delay and an undue interference with the management. Thus on the 21st July, 1930, the General Manager submitted proposals to reduce the rates on orange-box wood in order to encourage import at Haifa for traffic by rail instead of import direct by sea to Jaffa: these proposals were not approved until the 22nd November, by which time the boxwood importing season was over. A proposal to reduce the minimum number of first-class fares to be charged for tourist trains was approved by the Railway Board in July, 1930, but not finally approved until 13th December, 1930. A reduction in the rate for return tickets was put forward by the Railway Board in October, 1929, was partially approved in February 1930, but not finally sanctioned until August 1930. The delay inseparable from such detailed control may often result in the loss of special traffic or increased traffic which the General Manager, with his more intimate knowledge of the circumstances, wishes to secure. We think that most if not all questions of the kind of which examples have been given above, might well be left to the discretion of the General Manager, subject in the case of rates to prescribed maxima and minima within which he should have discretion to vary the charges.* We hope that in any case there will be no delay in sanctioning the new rate book to which we have referred above.

*This is or used to be the practice on Indian railways.

PART III.

FINANCE.

CHAPTER I.—PAST HISTORY.

242. A general view of the financial position of Palestine will be obtained from Appendices VII and VIII, which show the total revenue and expenditure from the year 1921–22, the first complete financial year after the Civil Administration took the place of the Military Administration.

Revenue.

243. It will be seen that the ordinary revenue of the country—that is, excluding proceeds of Land Sales, Railway Surpluses and Grants-in-aid—was £1,496,746 in 1921–22, and after a decline reached the high figure of £2,184,592 in 1925–26, a year of general prosperity. A short set-back followed, but by 1929 a new high level was reached, and during 1931 ordinary revenue is expected to amount to £2,386,100, an increase of 59 per cent. over 1921–22. The more important sources of revenue have all contributed to this increase. The Customs revenue has expanded by 72 per cent. as a result partly of enhanced duties and better collection, but also of the growth of the external trade of the country. Revenue from "Licences, Taxes, etc.," which includes the proceeds of Tithes, Animal Tax, House and Land Tax, and the new Urban Property Tax, has risen by 46 per cent.; and the receipts of Court and Office Fees by 51 per cent. The Post Office revenue has expanded by 80 per cent., a further reflection of the increasing trade of the country, and also a result of the growing use of the new postal, telegraph, and telephone facilities offered to the general population. The railways have in some years contributed surpluses to the general revenues of the country, but in other years those revenues have had to finance railway deficits.

Grants-in-aid.

244. The grants-in-aid of Palestine revenues made by His Majesty's Government represent in form contributions towards the defence of the country throughout, and not towards the cost of the civil administration; but it is clear that the total expenditure of the Palestine Government has in recent years been a factor in deciding the amount of such contributions. His Majesty's Government have always borne the cost of the Imperial troops stationed in Palestine, except that from the year 1928 onwards Palestine revenues have contributed towards the extra cost of such troops as compared with their cost at their normal colonial station (*see* paragraph 251). During 1922–23 and 1923–24 His Majesty's Government bore direct the cost of the newly-formed British Section of the Palestine

Gendarmerie; but in 1925–26 and 1926–27 the cost of the Section was charged to Palestine revenues and recovered through the grants-in-aid shown in Appendix VII. These grants were discontinued after the 1st April, 1927, when the Gendarmerie was disbanded and the Trans-Jordan Frontier Force was created. The subsequent grants-in-aid represent contributions by His Majesty's Government on behalf of Trans-Jordan of the latter's share of the cost of the Force; that share was reckoned at one-half during 1926–27, one-sixth from 1st April, 1927, and has recently been increased to three-quarters as from the 1st April, 1930. The Palestine Government bears the cost of capital works for the Force in Palestine, while His Majesty's Government, on behalf of the Trans-Jordan Government, bear the cost of similar works in Trans-Jordan.

It will be seen from Appendix VII that the total cash receipts at the disposal of the Palestine Government have increased from £1,528,366 in 1921–22 to £2,533,100 in 1931, an increase of 66 per cent.

Expenditure.

245. The relatively greater increase in expenditure during the same period is shown in Appendix VIII, the figures in which have been confined to those for the year 1921–22, for the prosperous year 1925-26, and for the years 1929, 1930, 1931. Expenditure, excluding that due to railway deficits, rose from £1,388,154 in 1921–22, to £1,658,383 in 1925–26, and is estimated at £2,481,657 for 1931, a total increase of 79 per cent. over 1921–22. The increase of £1,093,000 is accounted for mainly as follows:—

(*a*) Debt charges have increased by £118,000 as a result of the service of the loan of £4,475,000 raised in 1927.

(*b*) The Survey Department, which had only just commenced operations in 1921, will cost £49,000 this year.

(*c*) Legal items have increased by £49,000 due mainly to extra expenditure on the Judiciary (£12,000) and Land Settlement (£20,000).

(*d*) Police charges are £158,000 greater, whilst Defence charges, which were borne direct by His Majesty's Government in 1921, now account for £223,000, against which is to be set a grant-in-aid of £143,000.

(*e*) Expenditure on what, for want of a better term, may be called "Social Services," has increased in all by about £70,000. The cost of the Health Department has, in fact, been reduced by £35,000, owing, not to the curtailment of essential services, but to the fact that the preventive measures taken by the department in earlier years against malaria and other diseases have been the means of avoiding later expenditure on curative action. Education is costing £63,000 more than in 1921–22, and Agricultural, Forestry, and Veterinary services £40,000 more.

(*f*) The cost of Recurrent Public Works has increased by £105,000, of which £62,000 is due to maintenance of the more extensive road system.

(*g*) Extraordinary Public Works were not provided for in the budget of 1921–22 and now cost £304,000, of which £74,000 is allocated to the construction or reconstruction of roads and bridges.

(*h*) Smaller increases have occurred in the costs of the District Administration and the Revenue departments; whilst less is being spent on Central Administration and Finance and on Miscellaneous items.

Surplus balance.

246. The out-turn of each year's budget is summarized in Appendix IX. As a result of the large surpluses of the earlier years, a substantial balance accumulated, which enabled some specially heavy charges to be met during 1927 and 1928 in respect of the deficit on the Military Administration, the Palestine share of the Ottoman Public Debt, and certain items which had previously been charged to Loan Funds but which it was thought proper to re-charge to revenue account. In the result the "surplus balance" on the revenue and expenditure account on the 31st December, 1930, amounted to no less than £626,110. This balance is further discussed in Chapter 5 below.

CHAPTER 2.—EXPENDITURE.

247. We have already dealt, in our chapters on the departments, with the services which involve the greater part of the expenditure of the Palestine Government. There remain, however, a number of important items which could not conveniently be referred to in connexion with any one department.

Pensions.

248. Out of £18,060 provided under this head, £12,000 is for pensions of ex-Turkish Government employees. This is a diminishing charge, but as parts of the pensions have been continued to heirs, particularly to female heirs, the charge will not be extinguished for very many years to come. On the other hand, pensions and gratuities in respect of the period since 1st July, 1920, which at present amount to £6,000, will increase. In view of the short time that has elapsed since the Civil Administration was instituted, and the fact that so many officers entered the Administration from the army at abnormal ages, it is not possible to give an indication of the normal rate of increase, or of the likely maximum charge, under this head. For our purposes we shall assume later a charge of £20,000 in 1932.

We recommend that the printing of Appendix B to the Estimates be discontinued; there appears to be no reason for reprinting the names of individual pensioners, and the amounts of their pensions, and there will come a time when the space required for this appendix will be altogether excessive.

Public Debt and Loan Charges.

249. Under this head is provided the sum necessary to meet the interest, management, and sinking fund charges in respect of that portion of the 5 per cent. Stock, amounting to £4,475,000, raised by the Palestine Government in 1927 and guaranteed by the British Treasury, which was spent on or allocated to capital purposes other than railway works. The charges on the portion of the loan devoted to railway purposes are met out of railway revenues and have been referred to in paragraph 222. Although the loan was raised in 1927, sinking fund payments at the rate of 11s. 8d. per cent. half yearly did not begin until the 1st November, 1930. The budget for 1930 bore, therefore, only one instalment of sinking fund, and two will be payable during 1931 and annually thereafter. The loan is repayable at any time between 1942 and 1967, and the sinking fund payments are so calculated that they will amount by 1967 to a sum equivalent to the full amount of stock raised. The present charges, amounting to £124,000 in respect of the non-railway portion of the loan, will therefore continue until 1967.

Details of the provisional allocation and expenditure out of the loan are given in Appendix X.

250. It must be borne in mind, however, that it has been announced that a further loan of £2,500,000 will be raised by the Palestine Government and, if Parliament agrees, guaranteed by the British Treasury, for the purpose of facilitating further agricultural development in Palestine. When this loan is raised, and assuming that the charges for the service of it are at the same rate as for the loan of 1927, the Palestine Government will be liable ultimately to provide a further sum of about £155,000 a year under this head of the budget. Against this extra charge would be set such sums as it may be decided to recover from those who benefit by the expenditure out of the loan.

Defence.

251. Towards the end of last year it was agreed that Palestine should accept in principle liability for

(*a*) the whole of the recurrent excess cost of British Army troops stationed in Palestine;

(*b*) half the recurrent excess cost of the Royal Air Force units stationed in Palestine and Trans-Jordan;

(*c*) the capital cost of works services *in Palestine* for both Military and Air Forces; and

(*d*) the cost of (i) local services (billets, transports, etc.) rendered by the Palestine Government to the Army and Air Force and (ii) the difference between public and preferential rates for Royal Air Force and Military units on the Palestine railways.

"Excess cost" means the excess over the cost of the British forces at the station from which they proceeded to Palestine.

It was further agreed that the repayments to be made by the Palestine Government in respect of the above charges would be determined by His Majesty's Government in the light of the Palestine Government's ability to pay.

The above arrangements exclude those for apportioning the cost of the Trans-Jordan Frontier Force, which are referred to in paragraphs 244 and 254.

252. The settlement on this basis of the repayments due to His Majesty's Government in respect of the British financial year 1930–31, which affects the budgets of Palestine for both 1930 and 1931, involved certain rather complicated adjustments, and we do not think any useful purpose would be served by our setting out the full details here. It should, however, be mentioned that His Majesty's Government accepted from the Palestine Government, in settlement of the latter's liability under the above agreement, a sum which was less by £96,000 than the full liability for the financial years 1929–30 and 1930–31. A substantial part of this relief was in respect of the cost of capital works for the Army and Air Force units in Palestine, and was recognized by the Palestine Government as exceptional and as liable to repayment in future if His Majesty's Government so decided. Further, His Majesty's Government have decided that in respect of the British financial year 1931–32 the Palestine Government should contribute £55,000 in respect of the items (*a*), (*b*), and (*c*) above together with the full cost of item (*d*). In the result the payments to be made by Palestine *during the calendar year 1931* are approximately as follows:—

	£P.
Items (*a*), (*b*), and (*c*):	
Arrears in respect of 1930	40,687
In respect of 1931	59,063
Item (*d*):	
(i) Local services	40,500
(ii) Railway rebates	12,500
	£P.152,750

Provision has been made in the draft Estimates for 1931 for £P.38,000 only, so that supplementary provision will be required this year for about £P.114,000.

253. Our chief interest is to ascertain as nearly as may be what charge is likely to fall on Palestine revenues under this head in the future. This will depend on the strength of the British forces stationed in the country, and also on the decisions which His Majesty's Government may take in future years as to the amount of the payments to be made by the Palestine Government. Subject to these qualifications, and for the purposes of our final review of the country's financial position, we propose to assume that the total charge under this head will be as follows :—

	£P.
Items (*a*), (*b*), and (*c*)	55,000
Item (*d*)	53,000
	£P.108,000

We suggest in the next chapter that a change in the financial year of the Palestine Government from the calendar year to the year beginning on the 1st April would greatly facilitate the accounting transactions between the two Governments in regard to Defence expenditure.

Trans-Jordan Frontier Force.

254. The recurrent cost of this Force for 1931 is estimated at £185,452, and, as already stated, it was agreed last year that as from 1st April, 1930, one-quarter of the cost should be regarded as attributable to Palestine and met out of the Palestine budget, while the remaining three-quarters should be borne by His Majesty's Government on behalf of the Government of Trans-Jordan. The total cost of the Force is clearly dependent directly or indirectly on its strength and distribution, and discussion of it is therefore outside our terms of reference. The allocation of the cost appears to have been decided on considerations of the relative benefits which Palestine and Trans-Jordan derive from the Force, and we have assumed that this question is likewise outside our terms of reference.

Palestine funds also bear the cost of works services for the Force in Palestine, and £17,325 is provided for this purpose in the 1931 budget. It is proposed, amongst other things, to spend £10,000 on the construction of a permanent camp at Rosh Pina. The need for this expenditure will clearly depend on the measure of permanence to be expected in the present disposition of the Force in the Jordan Valley and thus involves matters which are not within the scope of our enquiry.

Other charges.

255. Under each head of the Estimates provision is made for a number of charges other than those for personal emoluments, and

some of them, which are common to most departments—such as travelling expenses, and the cost of telegrams, telephones, and postage—amount in the aggregate to large sums. Economy in such items can only be secured by those whose duty it is to approve and spend the annual provision, and we can only emphasize the need for the strictest control of it. We have already referred to the expenditure on travelling. That on telegrams might repay investigation ; thus the Post Office records show that, at an average cost of 1s. 6d. a telegram, 1,500 telegrams were despatched by officers of the Department of Agriculture in 1930, and 1,000 by those of the Department of Health. These figures seem high and suggest that the urgency of many messages is exaggerated.

Proposals for new services.

256. We have already dealt explicitly or indirectly with most of the proposals for new services that have been made in recent years. There remain, however, two proposals to which it is necessary for us to refer.

(1) In his report on Immigration, Land Settlement, and Development, Sir John Hope Simpson recommended the establishment of a Development Commission, which would "not only undertake the general development of the land but would also be responsible for its colonization by both Arabs and Jews," including the co-ordination of future colonization schemes with those already planned by the existing Jewish Agencies. We understand that it has been decided, subject to Parliamentary approval of a loan, to appoint a Development Commissioner. He will undoubtedly require a clerical staff and it may be desirable, after he has studied the conditions and prepared a general plan of operations, to attach to his department an officer of, say, Class 2, who would act as his secretary. There is an officer, now Land Valuer and Inspector of Assessments, who will be available about the end of next year, and would be well qualified to fill this post (*see* paragraph 48). It will also be necessary to define clearly the relations of the Commission to the other departments, in particular those now included in the Agricultural Department. These, however, are matters that can best be settled by discussion between the Development Commissioner and the Palestine Government. At this stage, and when so much regarding the work of the Commission has yet to be determined, it is not possible for us to make definite proposals.

(2) Mr. Strickland, in his report on the possibility of introducing a system of agricultural co-operation in Palestine, proposed the appointment of a Registrar of Co-operative Societies, Government encouragement of such societies by the

provision of financial assistance (about £20,000 in all) in their early stages, and the creation of a loan fund out of which long-term loans could be issued to cultivators for development purposes. Of these proposals the third seems to have been advanced without reference to the Development Commission advocated in Sir John Hope Simpson's report, and, since the latter now holds the field, need not, for the present at any rate, be further considered. We strongly support, however, the first two. The Registrar will undoubtedly need a clerical staff, and also, though not for some time, a staff of inspectors. These are matters that must be left for discussion between the Registrar and the Palestine Government. A year or more must elapse before the Registrar will be in a position to state his requirements. For the moment all that is necessary is to appoint a Registrar. The sum of £20,000 required for the financing of the societies, when formed, is, as Mr. Strickland has shown, already available.

CHAPTER 3.—REVENUE.

Customs.

257. The customs duties provide 40 per cent. of the revenue of Palestine (excluding the grant-in-aid) and the maintenance of their yield will therefore always be a matter of prime importance for the Government. During the last six years many changes have been made in the details of the customs tariff, including the gradual substitution of specific duties for *ad valorem* duties on the more important items, but the yield of the duties as a whole has stood the test of the recent world-wide economic depression very well. The figures in Appendix VII show that since 1925 the total customs revenue has, after a short set-back in 1926 and 1927, steadily expanded.

Appendix XI shows the imports during 1930 of the commodities which are of greatest importance from a revenue point of view. It also shows how they compare with the imports of 1925 which was a year of relative prosperity, preceded and followed by leaner periods. The particulars given will show how far variations in the yield of the main customs duties are due to changes in the duties themselves or to changes in the volume of imports. A further factor affecting all items is that in 1925 Egyptian currency was legal tender in Palestine. The value of one Egyptian pound was about 2½ per cent. higher than the Palestine pound, so that if

neither the volume of imports nor the rate of duty had changed, the 1925 yields converted to Palestinian currency (as they have been for the purpose of Appendix XI) would nevertheless be 2½ per cent. higher than in 1930.

258. First among the revenue producing commodities is benzine. The larger imports reflect the increasing use of motor transport in the country, which is due partly to the supplanting of the more leisurely forms of transport hitherto used by town and country people alike, and partly to greater industrial and commercial activity. The consumption of benzine is increasing notwithstanding that it is now sold at about 500 mils for four gallons, of which the duty amounts to 200 mils. Owing to the enhancements imposed in 1929 and 1930, the yield of the duty has risen more than the volume of imports.

The larger yield from sugar is due entirely to increased imports, which are no doubt attributable mainly to the growth of the population.

Owing to the change from an *ad valorem* duty to specific duties comparisons are difficult in the case of cotton piece-goods. A noticeable feature is that the volume of Syrian imports, which were free of duty in both cases, decreased by over 60 per cent. between 1925 and 1930. This is attributable to more successful competition from Japan, despite the customs duty. On the dutiable goods the substitution of specific duties has averted falls in the yield of duty which the great drop in the prices of cotton goods since 1925 would otherwise have entailed.

The imports of kerosene have increased considerably owing to its increasing use for domestic purposes and as a substitute for benzine.

The fall in the yield from the duty on tobacco leaves is due to the reduction in the duty in the middle of 1925.

The duty on wheat flour was trebled in 1930, and its import also restricted, as a measure of protection to local cultivators against the large fall in the world price of wheat.

The fall in the imports of cigarettes has been attributed to the decreased number of troops in the country.

The change in the yield of duty on silk fabrics is the result in the main of larger imports free of duty from Syria and a substantial fall in prices.

259. It is impossible to forecast the extent to which Palestine can expect to rely on a continued increase in the yield of customs duties. The growth of the population and the economic development of the country will, other things being equal, cause more goods to be imported. On the other hand, however, it is clear that much of the import trade is paid for by income received from abroad. The country is importing goods to the value of about £7,000,000 a year,

but its exports amount only to £2,000,000. The very large balance of imports is financed by contributions from abroad of various kinds, such as subscriptions to Christian charitable and religious institutions, income from tourists, Zionist official funds, money brought in by Jewish immigrants, remittances from Arabs and Jews living abroad, and investments of private capital. It is reasonably certain that some of these contributions will continue to be received, but others are more precarious, and may be effected by political developments. How far the adverse balance of trade can be remedied by increased production of goods which can be marketed abroad is a matter that has already been discussed in some detail in Sir John Hope-Simpson's report. In agriculture the most promising opening is that of orange growing. In 1930, 2,857,000 cases of oranges valued at £857,000 were exported. There is a widely prevalent expectation of an increase in these exports to six million cases or more in the course of the next decade or so, when recently-planted groves and new ones are fully bearing: on the assumption that present prices are maintained and that foreign markets can absorb so large an increase in production at those prices, the direct effect would be to increase the country's exports by about £1,800,000. It would be unwise, however, to reckon on any considerable growth in the export of manufactured goods, valued in 1930 at £365,000. Palestine, having no coal or iron, cannot hope to compete with other countries in the manufacture of articles that require mass production, and may find in Syria, which has the advantage of cheaper labour, a formidable competitor of its small factories and artisans.

In these circumstances the future balance of the country's trade and the trend of the customs revenue will necessarily be matters requiring the constant attention of the Palestine Government. We do not wish to propose any major changes in the present tariff but we are suggesting privately certain changes which may be expected to yield, together with certain Excise changes, about £65,000.

260. Under an agreement concluded with the Syrian Government, which replaced an earlier agreement of 1921, goods of foreign origin entering Syria and exported to Palestine within a year after importation are taxed at the Syrian port, and Palestine is credited by Syria with the duties collected: on commodities on which the Palestine duties are higher than the Syrian duties the difference is collected at the frontier by the Palestine Customs. Goods of Syrian origin or manufacture are admitted free of duty into Palestine, and vice versa, with certain exceptions such as tobacco, matches, salt, and spirits. As the balance of trade between Palestine and Syria is very much in favour of Syria, the latter country gains the greater benefit from the agreement. The loss of revenue to Palestine

on goods of Syrian origin, mainly the cheaper cotton piece-goods, silk, and confectionery, is estimated at between £30,000 and £50,000 per annum.

A certain amount of duty is also known to be lost on goods which are certified as of Syrian origin but have in fact been imported into Syria from a foreign country. Hitherto both economic and political considerations have been, on the whole, in favour of maintaining the agreement despite the loss of revenue involved. Under Turkish rule there were no trade barriers between the two countries, and the maintenance of free trade between them has been advocated in the interests of the small new industrial enterprises of Palestine. Whether, in the long run, however, these enterprises will stand to gain appears to us to be open to some doubt.

Licences, Taxes, etc.

261. The revenue estimated to be received under this head during 1931 may be classified as follows :—

	£
(i) Licences	56,900
(ii) Taxes	456,000
(iii) Stamp duties	49,000
(iv) Excise duties	217,000
(v) Fines and forfeitures	27,000
	£805,900

262. (i) *Licences.*—These include Road Transport (£30,000), Forestry (£6,000), Tobacco (£6,500) and Liquor (£4,000), and various others.

The Government's receipts from *Road Transport licences*—which represent half the total receipts, the other half going to the municipal authorities—have by steady annual increases doubled since 1926; this has been due partly to enhancements of the rates and partly to the greater use of motor transport. We suggest no change in the rates, but we agree with Sir H. Dowbiggin that the police should be relieved of the duty of issuing the road transport licences.

The *Tobacco licence fees* (to be distinguished from the tobacco excise duties) are paid by dealers, manufacturers, and hawkers. Here too, we propose no alteration of the rates, the annual yield of which has risen slightly from year to year.

The *Forestry licences* are issued to inhabitants of villages and others to take wood from Government forest reserves for domestic and trade purposes and also to owners of private forests in respect of wood extracted therefrom. As afforestation proceeds and trees suitable for firewood mature, the receipts from these fees may be expected to increase.

The *Liquor licence fees* are paid by dealers and manufacturers. Licences are at present issued under three separate ordinances which are not always administratively consistent, and a new ordinance is under consideration which will simplify the present procedure. We think the Government might also consider whether an attempt should not be made to concentrate the manufacture of liquors in fewer establishments in order to reduce the cost of control. The consumption of liquor in Palestine is, by reason of national and religious characteristics, relatively very low, yet there are thirty factories and distilleries in the country. The ideal arrangement would be to concentrate the local manufacture of liquor in at most two or three such factories working in bond. If this is not practicable, we recommend an increase in the minimum licence fee payable by manufacturers. At present the fee payable is £50 for the first 50,000 litres manufactured, £50 for the next 50,000 litres, and £50 for every further 100,000 litres or fraction thereof.

Out of thirty manufacturing licences, thirteen are paying the minimum fee and the fees payable by the others range up to £2,300. We think the minimum fee of £50 might be raised to £100.

263. (ii) *Taxes.*—The estimated yields of these for 1931 are as follows :—

	£P.
Animal Tax	36,000
House and Land Tax	200,000
Tithes	220,000
	£P.456,000

264. The *Animal Tax,* which was originally a tithe collected in kind, is levied at rates which are practically the equivalents in Palestine currency of those charged by the Ottoman Government. The yield of the tax was about £48,000 in 1926 and 1927, but heavy losses due to drought and disease then reduced it to £29,000 in 1927, since when there has been a steady gradual increase as a result of the growth in the number of animals. Although the enumeration of animals is a lengthy process, which throws a good deal of work for two months in the year on the revenue staff of the District Administration, it is the only means of securing some contribution to the revenues of the country from the more or less nomadic groups of the population who gain a living from stock raising rather than by the cultivation of land. In fact, however, a large proportion of the tax is paid by people who also cultivate land and pay tithe and werko. On the whole there is, perhaps, a case on merits for abolishing the tax ; but we do not recommend this because of the facilities for evasion of the Trans-Jordan Animal Tax which would be provided if there were no corresponding tax in Palestine. Trans-Jordan cannot afford to forgo its revenue from the tax.

265. Under the heading " House and Land Tax " are also included the yields of the Mussaqufat (Roofed Property) Tax, the Urban Property Tax, and the Corporation Tax. The *House and Land Tax* (" werko ") is assessed on the capital value of land and buildings at rates varying from 4 to 10 per mille. Except where subsequent sales or other changes have provided information as to current values and assessments have been changed accordingly, the property values as assessed during the Ottoman Administration have been retained for purposes of this tax. Those earlier assessments, however, were made when land values were considerably less than they are to-day, and both the values and the areas recorded in the old registers are notoriously inaccurate. Apart from its financial effect, the administration of the tax on the basis of Turkish registers compiled more than half a century ago is exceptionally difficult. The schedules of tax-payers are drawn up by the village mukhtars, and the revenue authorities cannot rely on their accuracy.

266. The *Mussaqufat Tax* is levied in lieu of the House and Land Tax in the sub-districts of Haifa, Acre, and Shefa Amr, at the rate of 11 per cent. of the gross income of the buildings, and the yield is divided between the Government and the Municipalities in the proportion $3\frac{1}{3} : 7\frac{2}{3}$.

267. The *Urban Property Tax* has been applied in lieu of House and Land Tax in the following urban areas :—Jerusalem, Jaffa, Nablus, Tulkarem, Tiberias, Beisan, Gaza, Ramleh, and Lydda. Reassessments have also been carried out with a view to the application of the tax in Bethlehem, Beit-Jala, Ramallah, Beersheba, Hebron, Haifa, Acre, Nazareth, Jenin, and Safad. The tax is payable by the reputed owner at a rate not exceeding ten per cent. of the net annual value of house property and land except where that value does not exceed a certain minimum according to area ; and the rates actually applied have been 9 per cent. on house property (including the site) not subject to the 6 per cent. rate and 6 per cent. on house property constructed and used for an industrial undertaking, and 7 per cent. on land which is not the site of house property or which is subject to the payment of tithes. In the areas to which it has so far been applied the estimated annual yield of the Urban Property Tax appears to be about 8 per cent. in excess of that of the House and Land Tax.

268. *Tithes* were collected by the Ottoman Government at the rate of $12\frac{1}{2}$ per cent. of the gross yield of the crops, the rate including surtaxes amounting to $2\frac{1}{2}$ per cent. and levied for special purposes. They were collected in kind mainly by tax farmers. After the Military Occupation they were collected by Government in cash. The rate was reduced to 10 per cent. in 1925, and later, under the Commutation of Tithes Ordinance, 1927, the tithes were stabilized at a fixed annual rate. The rate of the " commuted " tithe is based

on the average aggregate amount of tithe payable by a village over the period of four years immediately preceding the commutation, which was applied generally to all districts (except certain Beduin areas in the Beersheba district) by the year 1929. The tithe is levied by villages, and is apportioned among the cultivators according to prescribed rules by village assessment committees. Commutation was at first welcomed by the cultivators, as it enabled them to dispose of their crops without the delays previously occasioned by the annual assessments; but owing topoor harvests and to the steep fall in the prices of cereals and other produce and therefore in the cultivators' incomes, the fixed annual payment has now become very onerous. Thus, in the case of wheat, which yields 42 per cent. of the total tithe, the average price for the four years 1924–27, on which the commuted tithe was based, was about 11½ mils per kilo.; the price of wheat on March, 1931, was about 7 mils in Jerusalem and between 5 and 6 mils in Jaffa and Haifa. The price of barley, which yields 12½ per cent. of the tithe, was stated by merchants in Jerusalem to have been 3½ mils a kilo. in April, 1931, as against an average price of 7½ mils adopted for the commutation. There have been falls also, some small, others larger, in the price of other commodities. Prices have risen slightly during the last nine months, but the discrepancy between the prices at which the commuted tithes have been calculated and those realized by the crops out of which they are paid remains substantial, as the above figures show. All fixed charges, however, become more onerous at times of falling incomes, and if any reduction of the present taxes on land is to be justified, it must be shown that the tithe-payers are more heavily taxed than the residents of the towns.

269. The burden of taxation on the rural population has recently been examined in detail by various competent authorities, whose findings are quoted in Sir John Hope Simpson's report. We need not traverse the whole of the ground again, but would merely draw attention to some of the conclusions, from which we see no reason to dissent, of a committee which reported to the Palestine Government last year on " The economic condition of agriculturists in Palestine." The committee found, as a result of statistics gathered from 104 villages, that the owner-cultivator of land paid in house and land tax, as owner, 10·4 per cent. of the rental value of his property. (The rental value was found to be, on the average, 30 per cent. of the gross return on the land and was mostly paid to him in kind.) But he also paid, as cultivator, in Tithes and Animal Tax, 19 per cent. of his net income from the use of the land, i.e., the income from cultivation and stock after deduction of costs of production and the equivalent of rent, but without allowing any deduction for his own or his family's labour. The net income was found to be nearly 40 per cent. of the gross income from cultivation, so that, in the result, his combined payments of House and Land Tax, Tithes and Animal Tax amounted

(on a cash basis) to 34 per cent. of the rental value of his property. On the other hand, the owner of immovable property in an urban area pays in Urban Property Tax something less than 10 per cent. of the rental value of his property; in other words, he pays no direct taxation corresponding to the Tithe and Animal Tax of the owner-cultivator. The financial position of the latter was already serious at the time to which the statistics taken from the villages applied, namely, during the period prior to the middle of 1929. By the middle of 1930 his position was distinctly worse, as the burden of Tithe and Animal Tax on the net return from the use of land had almost doubled.

270. The Committee's figures given above related to Arab farmers. They found the economic position of the Jewish farmer more difficult to determine, but came to the conclusion that as the gross produce of his land and his standard of living were both on a higher scale than those of the Arab farmer, the burden of taxation was relatively less. However that may be, there would appear to be no doubt that in his case also the burden of taxation was higher than in the case of the owner of urban property.

271. We agree with the committee that it is desirable both to devise some more equitable means of taxing the farmer and to redistribute the burden of direct taxation between the rural and urban population. The Government is already taking steps in the first direction. It is preparing to introduce a Land Tax which will replace the House and Land Tax (" werko ") and the commuted tithe: the preparatory survey and valuation of the " fiscal blocks " into which the country will be divided will be completed next year. Until the survey and valuation have been completed details of the incidence and administration of the tax cannot be finally settled, but we suggest what we conceive to be the main desiderata :—

(*a*) The total yield of the tax must not, when translated into terms of tax per holding, represent an undue burden on the produce of the land. Figures have been supplied to us showing the rate of tax which would have to be applied to land as recently valued in certain districts in order to produce the same yield as the existing werko and commuted tithe. The valuation has been made by applying to the estimated out-turn the average prices for the period 1923 to 1927. For forty-nine villages in the Gaza sub-district, devoted practically entirely to ground crops, the average rate is 1·4 per cent. of the capital value, which tests have shown to represent on the average about fifteen years purchase of the net income from the land. The latter (which in this case excludes the cost of the cultivator's own labour) is about one-third of the gross income. Assuming further that, as stated in paragraph 269, rental value is

30 per cent. of the gross income, it follows that a tax of 1·4 per cent. on the capital value of the land will be equivalent to a tax of 21 per cent. of the net income or of 23 per cent. of the rental value. On the basis of current prices these figures would be raised to about 40 per cent. and 44 per cent. respectively, and would be impossibly onerous. In fact it has already proved impossible to collect the whole of the tithe. In 1930 it was found necessary to reduce the tithe on the winter crops, which accounts for more than two-thirds of the total tithe, from 10 per cent. to 5 per cent. The remission was equivalent to a reduction of about 30 per cent. in the total tithe, and involved a loss of revenue of about £70,000. A further remission for the current year (on account of the fall in prices) of 50 per cent. of the tithe has just been sanctioned, and there can be no doubt that a large remission will have to be made in 1932 also. In addition there are heavy arrears outstanding. The arrears of werko on the 31st March, 1931, amounted to £142,862, as compared with an annual assessment of £139,000, while the arrears of tithes were £146,859, as compared with an annual assessment of £164,593. Some of these arrears are of long standing, the results of crop failures and other causes ; but they have recently increased, since the actual collection of werko and tithes for the tax year 1930–31 were only 90 per cent. and 78 per cent. of the respective current assessments.* Some recovery eventually in the prices of agricultural products may reasonably be expected, but it is clear that the total yield to be expected from a land tax will have to be substantially lower than the existing combined yield of the House and Land Tax and the commuted tithes, and it would be unsafe to reckon, in the case of the first assessment, at any rate, on a reduction of less than £80,000.

(*b*) In view of the uncertainty as to the future trend of agricultural prices, it would be wise (1) to fix the rate initially for a period of, say, two years, (2) to review the situation at the end of this period, and if there is then a reasonable prospect of stable prices, to fix it for a longer term of not less than ten years. If prices are still fluctuating, the initial assessment should be renewed for another period of two years.

(*c*) Whilst the basis of the tax should be as simple and as easily intelligible as possible, it is not necessary nor desirable that the same rate should be levied throughout the country on all land of the same class. A uniform rate must be highly regressive in its incidence ; the smaller the holding the heavier the burden of the tax. In India, where many systems of land

*There are relatively smaller arrears of Urban Property Tax, but these are partly due to the fact that preference has been given to the collection of outstanding arrears of House and Land Tax to which the properties were previously assessed.

revenue, each the result of a century of experiment, are in force, leniency has always been shown to the owner-cultivator, and the smaller proprietors. If it is thought undesirable that any land should altogether escape taxation, the very small and uneconomic holdings should at any rate be very lightly assessed, the loss in revenue being made good by levying higher rates on other land. Owner-cultivators should pay less than the landlords of large estates cultivated by tenants.

272. At present, proposals for remitting part of the tithe on account of damage to the crops by drought or pests must be referred to the Colonial Office. Such references could be avoided if, as in India, there were a prescribed scale for such remissions. In India the Collector of a district submits an estimate of the damage for each village ; his estimate is never questioned, and remissions in accordance with the scale are at once sanctioned. No remission is made if the loss does not exceed 25 per cent. ; for losses exceeding this, the remissions range from 25 to 100 per cent. We recommend that a similar scale be authorized for Palestine.

273. We have considered whether the decrease in the revenue from land should not be met by imposing an income tax. Such a tax would have the merit of securing from the larger personal incomes a more adequate contribution to the expenditure of the Government, nor, if a reasonably high exemption limit were fixed, do we share the doubts of those who argue that it would be impossible to ascertain the real incomes of manufacturers, traders, and professional men, because they either keep no regular accounts or would not produce them. Difficulties of this kind are probably less serious in Palestine than in Iraq, where it is said that the income tax has been a failure, and are certainly not greater than in India where, despite much evasion, a large income is realized from this tax. The real objection to an income tax is that there are at present no data on which a reliable estimate of its yield could be framed. We suggest that the Government should endeavour to obtain such data and that it should also examine the probable return from a tax on the various occupations and traders.

274. In the meantime we recommend that the present rates of the Urban Property Tax should be raised as follows :—

		Per cent.
(*a*) Property not used for industrial undertakings	from	9 to 15
(*b*) Property used for industrial undertakings	from	6 to 10
(*c*) Land	from	7 to 10

On the basis of the latest assessments to Urban Property Tax these increases may be expected to result, for the towns in which the tax is already applied, in an increase of just over £70,000 a year in the revenue derived from the tax.

275. (iii) The *Stamp duties* are levied under an Ordinance of 1927, which was based on the English Stamp Acts but varied the rates to some extent. The duties then imposed, at the sacrifice of a certain amount of revenue, replaced former Turkish *ad valorem* duties by specific duties and abolished vexatious duties on such documents as written requests to Government, tradesmen's bills, extracts of current accounts, and so on. Certain documents, yielding about £3,000, may be stamped with postage stamps and the revenue therefrom is credited to the Post Office. The stamp duties are likely to expand slowly as population and commercial activity increase, and their yield will be further increased if the proposals made in paragraph 278 for the compulsory registration of documents are accepted.

276. (iv) The *Excise duties* are derived as follows on the basis of the 1931 Estimates :—

	£
Matches	10,000
Salt	12,000
Tobacco	160,000
Wine and spirit	35,000
	£217,000

The estimated yield of the tobacco excise compares with actual receipts of £162,985 in 1929 and of £150,541 in 1930. The fall in 1930 was due to the fact that in the north of the country normal patrolling against smuggling had not been resumed after the disturbances of 1929. It is confidently expected that the 1931 estimate will be realized. We have already referred to certain points arising out of the administration of the Tobacco Ordinances, in paragraphs 160 to 163.

277. (v) We have no comments to make on *Fines and Forfeitures* except that it appears to us that the collection of fines by the police on warrants issued to them is not always as painstaking as it might be. This is not, however, a duty that should be imposed on the police, and other arrangements should be made, as has been suggested by Sir Herbert Dowbiggin. Court fines should be made payable to the Court Offices ; this would involve little or no increase in the staff of those offices. Non-payment of fines would be followed by arrest.

Fees of Court or Office.

278. The main receipt under this Head is from *Court Fees* (£75,000). It has been proposed, and we agree that it is very desirable, that the existing scale of fees should be much simplified. The new schedules should be so drawn as to obviate any loss of revenue by the change.

The payment of court fees is made by means of court fee stamps which are sold in the court offices for cash and affixed to the documents. The court clerks should be relieved of the work involved in the issue of stamps by arranging for the public sale of the stamps in the same way as revenue stamps are sold. If it is thought unlikely that licensed vendors of revenue stamps will be able to lock their capital up in court fee stamps, which are of higher values than revenue stamps, arrangements can be made for their sale at the post offices.

In any case the court offices should cease to give receipts for cash tendered in payment for stamps and to keep cash books in respect of sales. This is quite unnecessary, and is expressly forbidden by the Financial Regulations ; the sales can be checked through the stamp imprests issued to the officers concerned.

The Chief Clerks of the Courts act as Public Notaries and in that capacity work under an Ottoman Law which, although it may have worked well enough in the simpler conditions of the past, undoubtedly leads to documents being, either through fraud or ignorance, misclassified and under-stamped. We also understand that the law does not make compulsory the registration of all documents which ought to be registered. We recommend that it should be revised and simplified.

279. The fees in respect of Passports (£7,000), Registration of Citizenship and Naturalization (£1,000), and Immigrants (£6,000) have been discussed in paragraph 81, and those for the Registration of Land, including Land Settlement Fees (£70,000), in paragraphs 44 and 45.

280. £23,000 of the revenue under this head represents reimbursements from the Railways, Trans-Jordan, and other sources for staff seconded and services performed.

Posts and Telegraphs.

281. The revenue of £223,200 under this head is made up as follows :—

	£
Money and Postal Orders	2,000
Parcels Post	7,700
Stamps	95,000
Telegraphs	27,000
Telephones	83,000
Miscellaneous	8,500
	£223,200

The revenue from stamps has increased by about 30 per cent. in the last six years, and that from telephones by about 120 per cent. Further expansion may confidently be anticipated, particularly

from the telephones. Telegraph traffic has fluctuated but shows no general tendency to increase. We do not suggest any alterations in the present Post Office charges, except as regards inland letter postage. We think the initial charge might be raised from 5 mils to 6 mils; it is estimated that this will yield an additional sum of £3,000.

Revenue from Government Property.

282. Of the £18,000 estimated to be received under this head, £11,000 is due to revenue from State Domains. When all the Government lands in Beisan and the Huleh Marsh have been sold or transferred, there will be a reduction under this head of £4,300. Rent from officials accounts for £6,000 and is referred to in paragraph 205.

The revenue from this source will benefit in future when profits are earned by the Palestine Potash Company Ltd. under their concession for extracting salts and minerals from the Dead Sea. Apart from a purely nominal rent, the concession provides for the payment to the Government of a royalty of 5 per cent. of the value of potassium chloride, bromine, and magnesium chloride produced and sold, and for a share of the profits of the company. It is too early yet to say what are the prospects of any payments to the Government by the Company.

Interest.

283. £65,000 out of the £67,000 realized under this head is derived from the temporary investment, through the Crown Agents, of loan balances and surplus revenue balances. On the 31st December 1930 these investments were the loan balance of £1,261,719 (*see* Appendix X) and surplus revenue balances amounting to £444,114 (*see* paragraph 292). Of the loan balance it is estimated that £540,000 will be spent during 1931; £450,000 on the Haifa harbour works, £60,000 on the railway workshops, and £30,000 on Jaffa port improvement. It is probable that the balance at present invested will be completely expended by the end of 1932, with the exception of about £170,000 at present reserved for the building of new Government offices. The interest received will accordingly be reduced to perhaps £20,000 for 1932; thereafter it would not be prudent to count on any receipts from this source.

As regards the surplus revenue balance, we propose to assume on the basis of our examination of this balance, which is necessarily somewhat speculative, in Chapter 5 below, that the interest received will not exceed £15,000 in 1932, and will thereafter diminish to £10,000 by 1936.

The total revenue likely to be available under this head therefore will be assumed to be £35,000 in 1932, diminishing to £10,000 by 1936.

Miscellaneous.

284. It is estimated that during 1931, £40,000 will be paid to Government revenues on account of *profits from currency*. The management of the Palestine currency is entrusted to a Board in London, who arrange for the manufacture and supply of coins and currency notes, for their issue in Palestine against payment in London, and for the investment of available funds. Contributions in aid of the revenues of Palestine are only paid when the Board and the Colonial Office are satisfied that the balance of the Currency Reserve Fund is more than sufficient to ensure the convertibility of the currency and to provide a reasonable reserve against depreciation of investments. At the 31st March, 1930, the date of the last report of the Currency Board, the currency in circulation had a face value of £2,197,664. Against this the Currency Reserve Fund amounted to £2,184,673, and, with the market value of the silver content of the coins in circulation, exceeded the face value of the currency in circulation by £36,653. The market price of the investments held by the Board at the 31st March, 1930, amounted to £1,874,027, being 1·8 per cent. over the cost of the securities. The excess is held by the Board as a reserve against depreciation.

Owing to expenses incidental to the introduction of the currency, the Board have not been able to contribute more than £P.10,000 in 1929, and £P.20,000 in 1930 in aid of the revenues of Palestine. The sum of £P.88,499 was derived from interest on investments during the year ended 31st March, 1930, and the Estimates for 1931 assume that the Board should be able to contribute not less than £40,000 in the year 1931. The Board's receipts from interest on investments would be affected if economic conditions caused any material diminution in the circulation, but we have assumed that in future years the contribution will be not less than £P.60,000 a year.

285. Palestine currency circulates in Trans-Jordan and provision has been made in the 1931 Estimates, for the first time, for the payment of a grant to the Government of a portion of the currency profits received by the Palestine Government. The exact basis of this grant, which involves an attempt to determine approximately the proportion of the currency circulating in each country, has not yet been settled; but under head XXIV of the Estimates provision has been made for the payment of £4,500 to the Trans-Jordan Government in respect of the total currency profits received by the Palestine Government in the years 1929, 1930, and 1931, on the assumption that about 6·5 per cent. of the total currency circulates in Trans-Jordan. If, as we have assumed above, the Palestine Government may be expected to receive profits amounting to £60,000 a year, the grant to the Trans-Jordan Government will, on the basis so far adopted, be about £4,000 a year.

Land sales.

286. £3,000 is included on account of receipts from the sale of certain land at Beisan. These lands were formerly registered in the name of the Sultan of Turkey and leased as State lands to cultivators at an annual rent of 10 per cent. of the gross income in addition to the tithe. The rights of Government were, however, disputed by the cultivators, and under an agreement made in November 1930 the land was transferred to the cultivators at a price of 150 or 125 Egyptian piastres per dunum according as the land was irrigable or non-irrigable. The purchase price was payable in 15 annual instalments, with interest at 6½ per cent. on instalments payable during the last ten years. During the repayment period the Government can, on default in payment of an instalment, and until this is paid, recover ten per cent. of the gross yield of the land and also interest ; but not until the end of the fifteen years can it recover possession if the purchase price has not been paid. Only a fraction of the instalments due to date has, in fact, been paid ; £53,778 out of £63,990 then due was outstanding on the 31st December 1930. The amounts paid represent in fact the amounts of rental tithe which would have been due (apart from ordinary tithe) if the agreement for the sale of the lands had never been made. It was further provided in the agreement that the transferees could only sell the transferred land after the assessed price had been paid in full. We understand, however, that a certain number of sales have taken place surreptitiously despite the agreement, and despite the fact that the unofficial purchasers will not be able to secure a valid title to the lands.

287. The Government has announced that in certain circumstances it is prepared to extend the period of payment in individual cases to between 25 and 30 years, provided that if a purchaser defaults for two consecutive years in the period of payment of the reduced annual instalments the original shorter period will be re-applied. We do not see how, in present economic conditions, any effective steps can be taken to reduce the arrears of purchase price outstanding, until the Government is able to recover possession of the property at the end of the period allowed for payment. The demarcation and settlement of the land necessary in connexion with the transfers will be completed during the summer of this year ; otherwise we should have suggested that this work should cease. From most of the land the Government is, in fact, receiving by way of distraint on default approximately what it was getting in rental before the agreement ; it is only where the land has been sold by the transferees that it has received the full purchase price. Where lands have been sold surreptitiously and the transferee has not paid the purchase price out of the proceeds of sale, as provided by the agreement, the Government should recover possession and lease the lands under the conditions existing before the agreement.

Grant-in-Aid.

288. We have already referred (in paragraph 244) to the basis on which the grants-in-aid payable by His Majesty's Government have been calculated. For the current year the grant-in-aid is made up of (i) £139,089, being three-fourths of the estimated cost of the Trans-Jordan Frontier Force, and (ii) £3,920, the estimated cost of capital works for the Force in Trans-Jordan.

CHAPTER 4.—THE FINANCIAL YEAR.

289. The financial year of the Palestine Government ran from the 1st April to the 31st March until the end of March 1927, when the accounts were made up for a period of nine months only, and was changed to coincide with the calendar year as from 1st January 1928. The main reason for this change was that, as the Estimates for any financial year were not usually approved until some months after the year had begun, a great part of the best period of the year for building purposes, namely, the summer months, was wasted in waiting for authority to begin new works. The calendar year was also held to be more convenient because it coincided with the statistical period for trade returns and various international returns. It has, however, a decided disadvantage in that it involves complications in the adjustments, relating to grants-in-aid, with His Majesty's Government and the Trans-Jordan Government, both of which have the period 1st April to 31st March as the financial year. So far as building operations are concerned, there should be no difficulty if, as we have already suggested, a successful effort is made to ensure that the Estimates are finally approved before the beginning of the financial year. The relation of the financial year to the various statistical years does not seem to us a very serious objection. Most of the statistics involved are made up monthly, and can be compiled for any financial year with equal ease ; in any case, no difficulty is found in this respect with the much bigger accounts and statistics prepared by His Majesty's Government. We therefore recommend that as from the 1st April 1932 the Palestine Government's financial year should run from 1st April to 31st March. The new Estimates to be introduced as from 1st January 1932 should provide separately for the three months 1st January to 31st March 1932 and for the twelve months 1st April 1932 to 31st March 1933.

CHAPTER 5.—FUTURE POSITION.

290. We are now in a position to indicate what we estimate will be the approximate financial effect of the changes in the revenue and expenditure of Palestine which we have recommended, or which

are already inevitable on other grounds. The figures given in Appendix XII, which are necessarily very approximate, show that for the financial year 1932 expenditure could be reduced on balance by £77,000 and revenue increased by £50,000, so that the Palestine Government might, if all our recommendations were acted upon, expect to have available in that year a surplus of revenue over expenditure of £129,000 instead of the £2,000 budgetted for in 1931. Looking forward into the future, we have indicated at various places in our report further changes which in, say, five years' time would result in a small increase of expenditure over our 1932 figures. £20,000 more would be required for Education, but this would be offset by additional savings, amounting to say, £18,000, in the Land Departments (£2,000), in the Antiquities Department (£1,000), in the Post Office (£3,000), on Public Works Recurrent (£1,000), on Post Office Extraordinary Works (£6,000), and on the Railways (£5,000). Additional expenditure, which we will put at £10,000, would by then have been incurred on account of our revision of the salaries of the Senior Service. Apart from any natural changes in the yield of revenue duties and licence fees, the receipts from interest on balances may decline by a further £25,000 between 1932 and 1936, so that, excluding any possible further savings on Defence and Police, the surplus of revenue over expenditure in 1936 would then be about £90,000.

291. On this basis there is clearly no necessity for any assistance by His Majesty's Government towards the expenses of the Civil Administration of Palestine. The Palestine Government will no doubt be pressed from various quarters to consider whether, in view of the improved financial position thus anticipated, it is necessary for them to make all the individual reductions of expenditure or increases of revenue which we have suggested. We therefore wish to emphasize that we have not suggested changes in the staffing of departments that will impair their efficiency ; and that where we have set a limit to other expenditure, such as that on Education or Public Works Extraordinary, the limit represents either, as in the former case, a reasonable provision for real needs, or, as in the latter case, the maximum proportion of the total budget of the country which ought, we think, to be allotted to the particular service. On the revenue side the proposed changes for the most part either are inevitable, or represent a more equitable distribution of taxation. It is also relevant in this connexion to point out that although His Majesty's Government are not making, and need not make, any direct contribution towards the costs of the Civil Administration of Palestine, they are not at present asking Palestine to pay its full admitted liability in respect of the cost of the defence forces in the country. Finally, the last few years have shown that Palestine is peculiarly susceptible to economic and political troubles, sometimes of internal and sometimes of external origin, and the

husbanding for a time of a substantial portion of the country's future surplus revenues would be a wise measure of insurance against the possible financial results of similar troubles in the future. What that portion should be we now proceed to consider.

292. On the 31st December, 1930, the Palestine Government had in hand a balance of £626,110, accumulated out of the surplus revenues of past years and distributed as follows :—

	£
Cash balances	64,745
Invested	444,114
Impounded, i.e., the excess of advances, etc., over deposits	117,251
	£626,110

During the first quarter of 1931, adjustments between His Majesty's Government and the Palestine Government on account of defence expenditure resulted in a net payment to the latter of £48,659, which was strictly attributable to 1930. If, therefore, the draft Estimates of revenue and expenditure for 1931 were approved and realized, involving a surplus of revenue of £1,600, and no inroads were to be made during the year on the surplus balance, that balance would have risen at the end of 1931 to about £676,000. It is already clear, however, that the actual revenue and expenditure in 1931 must differ materially from the draft Estimates, which have so far not been approved. We have already pointed out (in paragraph 252) that the Palestine Government will be required to pay during 1931, under the head of Defence, £114,000 more than is provided in the budget. Further, remissions of tithe have been proposed and approved which are expected to reduce the total receipts from tithe from the estimated figure of £220,000 to £103,000—a loss of revenue of £117,000. These two items together will produce a deficit in 1931 of about £230,000. It will hardly be possible to meet this deficit entirely by a revision of the current Estimates, but a large portion (amounting to about £106,000), could be met in the following ways :—

(1) The provision for Public Works Extraordinary (Head XXVI) should be reduced by £50,000 as proposed in Chapter 18.

(2) The Palestinian Police are at present about 140 under strength, although provision for the pay, etc., of the authorized establishment has been provided in the Estimates ; a decision not to recruit more men as proposed in Chapter 8 would save about £11,000.

(3) The Estimates contain various proposals for creating new posts or up-grading old ones ; those which will not be required, if our earlier recommendations are accepted, account for about £10,000, and this sum can be saved this year.

(7198)

(4) The increase of the Urban Property Tax in accordance with our recommendation in paragraph 274 and as from 1st July, 1931, would yield an extra £35,000 this year.

If these steps were taken, a net deficit of £124,000 in 1931 would have to be met by drawing on the surplus balance, and on that basis the balance would be reduced to about £552,000 by the end of December, 1931.

293. We have considered how far part of this surplus balance might be used to finance special or extraordinary expenditure which the Palestine Government may reasonably incur in the next few years, but which would represent an excessive burden on the annual revenues of the country. Not all the balance can be so used. A certain portion of it will also always be "impounded," representing the excess of advances for various purposes, etc., over deposits and other liabilities, the largest items among the advances being for railway purposes (£84,000 at the end of 1930) and the gradually diminishing amount of outstanding agricultural loans to cultivators (£73,000). The railway advances were somewhat low at the end of 1930, and we think that a total of £130,000 might be reserved for the "impounded" portion of the surplus. Further, a working balance is necessary in order to meet expenditure until revenue is available; £150,000 should be sufficient for this purpose. These two reservations would, on the basis set out above, result in a "free" surplus balance of £272,000 at the end of 1931.

294. The Government might reasonably undertake to provide out of this surplus balance, as increased in future years by the surpluses of revenue over expenditure which will be available if our recommendations are accepted, the following sums:—

(*a*) in 1931, £13,000 for the purchase of port accommodation at Jaffa, for which balances will no longer be available out of loan funds;

(*b*) in 1932 or subsequent years, as may be necessary, £23,000 in all for the establishment of co-operative societies, this sum being the "deposit" at present held in respect of the former Ottoman Agricultural Bank;

(*c*) £60,000 in each of the years 1932 and 1933 and, if necessary, £40,000 in each of the three following years, for a Railways Renewals Fund, as proposed in paragraph 240;

(*d*) £20,000 in each of the five years 1932 to 1936 for the provision of quarters for the Police Force, as proposed in paragraph 184; and

(*e*) a sum of £25,000 a year for other urgent and necessary capital works of a general nature.

If such payments were made, and the future revenue surpluses over the next five years are assumed to diminish steadily from, say, £130,000 in 1932 to £90,000 in 1936, on the lines indicated in

paragraph 290, the free surplus balance might, in the absence of any disturbing factors, be expected to rise to about £320,000 by the end of 1936. We have already suggested that the Government should maintain a reserve on which it can draw if its finances are temporarily upset by economic or other misfortunes. If all goes well, or revenue is unexpectedly buoyant, it will be open to the Government to consider from time to time whether further portions of the balance should not be used to relieve annual revenues of any necessary and urgent items of special or extraordinary expenditure.

295. In this connexion, we may also mention three directions in which part of the surplus balance may prove useful in the future.

(1) We have not been able to obtain any authoritative opinion whether the sum of £1,250,000 set aside out of loan funds for the construction of the new Haifa harbour is likely to prove sufficient for the purpose, or whether the full development of the harbour, especially in regard to railways and customs accommodation, will require the provision of supplementary funds. It is to be hoped that the original estimate of the necessary expenditure on the harbour will not be materially falsified, but we think it only prudent that some portion of the surplus balance should be reserved against this contingency until nearer the time when the harbour will be completed in 1934.

(2) Assistance may have to be given to some of the larger Municipalities by way of the loan of capital funds for the improvement of water supply and drainage systems. Interest on and repayment of such advances would be met out of water or drainage rates.

(3) It may be thought desirable to advance sums of modest amount for irrigation purposes in areas which are already settled and which might not be affected by any large scheme devoted to the development of new areas. These advances also would be repaid out of the charges made for the irrigation service.

PART IV.

TRANS-JORDAN.

296. Particulars of the expenditure and revenue of Trans-Jordan for the last three years and for the current year are set out in Appendices XIII and XIV. Expenditure (both ordinary and extraordinary) on the Trans-Jordan Frontier Force has been omitted, and will be omitted from all the figures quoted in this part of our report; it is balanced by an equivalent and separate grant-in-aid from His Majesty's Government, which has also been omitted from all our calculations of revenue.

1.—Expenditure.

297. It will be seen that the estimated ordinary or recurrent expenditure for 1931–32, £324,098, exceeds by about £45,000 the corresponding expenditure in each of the last three years. Excluding the expenditure on the anti-locust campaigns in 1929–30 and 1930–31, the total extraordinary expenditure proposed for 1931–32, £23,450, was higher by some £10,000 than the figure for each of the preceding three years. In the same period the revenue (excluding grants-in-aid) has expanded from £239,900 to £263,800; while the grant made by His Majesty's Government in aid of the Civil Administration was £40,000 in each of the years 1928–29 and 1929–30, and £84,000 in 1930–31, and the British Parliament has been asked to provide a sum of £92,500 as the grant for the current year.

298. Comparing the estimated expenditure for 1931–32 more particularly with the approximate actual expenditure in 1930–31, we find an increase in ordinary expenditure of £45,248. Owing, however, to the necessity for finding money for the anti-locust campaign last year, certain expenditure provided in the original approved Estimates was abandoned, and the actual ordinary expenditure was £18,000 below the estimate; but even so the Estimates for 1931–32 show an increase of £27,718 over the preceding year's figures. The bulk of the increase over the expenditure of 1930–31 is due to Police (£18,000), Public Works Recurrent, mainly road maintenance (£7,000), Post Office (£3,500), Agriculture (£3,000), and Education (£2,600), but most departments show a slight rise in cost.

The extraordinary expenditure proposed for 1931–32 is £10,737 less than in 1930–31; increases of £10,600 for Public Works, £2,700 for Post Office capital works, and £3,000 for the purchase of an estate for His Highness the Amir, are more than covered by the absence of any provision for an anti-locust campaign and by the smaller outlay (under Police and Prisons) for the initial equipment of the newly-formed Desert Patrol.

299. We have no criticizms to make on the system of internal financial control; the arrangements for the examination of proposals involving expenditure, which are made by the Ministry of Finance and the British Financial Adviser attached thereto, appear to us to be adequate. As in Palestine, however, the Government have been much inconvenienced by the delay in according sanction to the Estimates of revenue and expenditure. In Trans-Jordan the financial year begins on the 1st April and the following table shows the dates on which the annual Estimates for recent years have been approved by the Secretary of State:—

Financial Year beginning	*Estimates approved on*
1st April, 1926.	7th September, 1926.
1st April, 1927.	31st March, 1928.
1st April, 1928.	27th August, 1928.
1st April, 1929.	28th November, 1929.
1st April, 1930.	4th December, 1930.

In the case of the 1930 Estimates there were differences of opinion between His Majesty's Government and the Legislative Council as to the inclusion of certain items of expenditure; but the particulars given above show that delay in the approval of Estimates has been a regular occurrence. For the reasons given in the case of Palestine, we think that every effort should be made to secure that the Estimates are approved by the beginning of the financial year. To this end a time-table should be drawn up which will allow the Estimates as approved by His Majesty's Government to be laid before the Legislative Council by the 1st March. One month should be sufficient time for the deliberations of the Council on them, so that the budget may be fully operative on the 1st April. Again, as in the case of Palestine, no new item of expenditure should appear in the draft Estimates which has not received the prior approval of the Secretary of State in principle; but the proviso that such approval does not imply that funds will necessarily be available in the next budget will be of greater importance in the case of Trans-Jordan, where it will involve the amount of the grant-in-aid which His Majesty's Government may be willing to provide.

300. The figures given in Appendix XIII do not suggest that there is much room for economies in the expenditure of the departments, and our examination of the staffs' work and organization, which we discussed in detail with each of their heads, has confirmed this impression. Apart from the Resident and Assistant Resident there are in all only fifteen British officers, and six of these are employed in minor posts. All the other officials are Arabs, and the salaries paid are in accordance with the standards of the country. With the exception of the Arab Legion, the departments are all on a small scale. The services which they provide are a great advance on

those provided under the Turkish rule, and His Majesty's Government may legitimately insist that, so long as a grant-in-aid is required, there shall be no appreciable expansion of their cost ; but at the same time it is clear that they cannot be much curtailed.

301. The Police and Prisons Department accounts for £115,115, or more than a third of the total recurrent expenditure. The superior staff consists of—

The Commandant (British),
Assistant Commandant in charge of administration (British),
Assistant Commandant in charge of public security,
The Desert-Intelligence Officer (British) ;

and the total strength is 973, distributed as follows :—

Headquarters	29
Rural Police	620
Urban Police	100
Prison staff	100
Desert Patrol and Forts	100
His Highness the Amir's Guard	24

We think that the Assistant Commandant in charge of administration should not, as has hitherto been the practice, be employed solely on office work at headquarters. When the Commandant is at headquarters, the Assistant Commandant should be on tour and *vice versa*. Otherwise we have no suggestions to make as regards the superior staff which is clearly not larger than is necessary. Excluding the Prisons and the Desert Control Force and the Amir's guard, there are in all ranks 749 police. The population of the country has never been enumerated, but it is believed to be about 300,000 ; there is thus one policeman for every 400 persons. This is a high proportion, but the circumstances are quite exceptional. The country was never closely administered by the Turks ; the people are all armed, and, although order is now reasonably well maintained, turbulent and easily aroused. There is much petty brigandage, and a large part of the police is constantly out on patrols. In two months of the year the whole of the cavalry (which includes more than half the rank and file) are engaged in the enumeration of cattle, which cannot be carried out without their aid, and escorts have always to be provided for the tax collectors. We have examined in detail the distribution of the force throughout the country, and are satisfied that it is not larger than necessary.

302. We cannot recommend any reductions in the cost of this department, nor in those of the Ministry of Interior (£4,071), the District Administration (£7,337), Customs and Excise (£8,109), Antiquities (£2,815), Land Registry, Survey, Lands (£14,682),

British Resident (£6,979), or Tribal Control Board (£1,510) ; but we think that the small savings noted below might be made in the following departments :—

Head III : Legislature.—The Estimates provide for fourteen members to receive salaries of £200 per annum and two at £350 per annum. We are inclined to think the provision of these salaries unnecessary and that it should be sufficient to provide members with a reasonable subsistence allowance and travelling expenses for the few months each year in which they actually attend meetings of the Council. In any case all sixteen members should, as has already been proposed, be paid at £200 per annum only. (Saving, £300.)

Head VII : Legal Department.—The Minister of Justice was formerly the President of the Court of Appeal. It is now proposed to appoint one of the senior officers of the department to this appointment. We can see no reason, however, why the Minister of Justice should not continue to preside over the Court of Appeal. We do not think that this will add unduly to his work. (Saving, £200.)

Head VIII : Sharia Courts.—We recommend that the appointment of a " Director of Orphans' Estates " be postponed. It is, even if desirable, not urgently required. (Saving, £156.)

Head IX : Finance Department.—New posts for two Inspectors of Tax Collectors are included in the Estimates. They do not appear to be needed, as the District Officers and Sub-Accountants and the Audit Department should be able to exercise the necessary control. (Saving, £312.)

Head XI : Public Health Department.—It is proposed to appoint four extra clerks as clerks to District Medical Officers. We cannot endorse this proposal. (Saving, £288.)

Head XIII : Agriculture.—There is provision for the appointment of an Entomologist to deal with field and vineyard pests. It is said that the existing staff were all away for several months last year and had not time to attend to this work. The circumstances of last year were probably peculiar. We think this appointment should be postponed. (Saving, £384.)

Head XV : Public Works Department.—There is a proposal to appoint an extra (fourth) Technical Assistant whose duty it will be to examine the plans of the District Engineers. We can see no need for this appointment. The cost of construction is said, despite several adverse factors, to be less than in Palestine, and it is not alleged that the designs have been faulty. (Saving, £384.)

Head XV (a) : Public Works—Recurrent.—The provision for maintenance of roads has been raised from £9,000 in 1930–31 to £13,000. We think that £10,000 should suffice. (Saving, £3,000.)

Head XVI : Posts and Telegraphs.—Of the provision for stores and equipment (£3,250), £900 should not be required in the years immediately following 1931, £400 being for printing a special set of stamps and £500 for printing five years' supplies of postal orders.

Head XIX : Miscellaneous.—The provision for printing and stationery (£3,400) in 1931 is inflated by the cost of publishing a new volume of laws, and should show a reduction of at least £400 in future years.

Head XXI : Audit.—Posts for five additional clerks are proposed. It is understood that revised instructions have recently been issued regarding the extent of the audit to be carried out ; they will enable some of the present arrears of audit to be overtaken and until further experience of their effect is available the creation of the new posts should be postponed. (Saving, £730.)

Head XXIV : Public Works Extraordinary.—The provision of £15,500 may be compared with an estimate of £5,245 and an actual expenditure of £4,886 in 1930–31. No doubt a good case can be made out for the inclusion of each item in the current year's estimate, but by a stricter regard to their relative urgency it should be possible to keep expenditure within a total of £10,000 a year, which would not, in all the circumstances, be an ungenerous provision under this head. (Saving, £5,500.)

Head XXV : Posts and Telegraphs Extraordinary.—Of the provision of £3,550, under this head, £1,000 represents a normal year's capital expenditure, the balance being for lines required for public security purposes. It is also proposed to complete in due course a new telephone line to Ma'an, in lieu of the present old and unsatisfactory line along the Hedjaz Railway. The saving in the cost of renting the latter line will be £350 a year, and the new line is expected to attract additional traffic. The cost of completing the new line is, however, estimated at £6,000, and will clearly have to be spread over a number of years. In the circumstances we do not think a reduction of more than £1,500 in future years should be expected under this head.

Head XXVII : His Highness the Amir's Estate.—The Secretary of State has approved the provision of a sum of £3,000 for the development of an estate to be set aside for His Highness the Amir. This expenditure is therefore non-recurrent.

303. *Education.*—In addition to the estimate of £24,304 for Education in 1931 it is proposed to provide a sum of just under £1,200 for an agricultural school at Salt. This would be part of the Salt secondary school, but it would have a separate course of its own. Boys who have passed the 2nd secondary year are to be transferred

to the agricultural section, and then to go through a course either of one year, or, in the case of candidates for the post of agricultural officer, of three years. There is undoubtedly a demand for an agricultural school, but we think that it is a mistake to give an agricultural training of one year to boys who have completed part of the secondary course. It is highly improbable that they will ever be content to cultivate the land in their villages. The one-year course should be confined to boys who have not progressed beyond the primary stage. The vacancies in the agricultural service are so very rare that it is unnecessary to establish a three-years' course for the purpose of training candidates. They can also be foreseen and the Agricultural Department can doubtless arrange well beforehand for the training of a promising candidate in Palestine. On the other hand, for reasons which we have indicated in our report on Palestine, it is very desirable that the teachers in the rural schools should be put through a combined secondary and agricultural course extending over four years. We have discussed this matter with the Resident and understand that he does not dissent from our views. and provided that the scheme is modified on the above lines, we do not object to the expenditure proposed.

304. The proposals made above will, if accepted, result in a net saving of £9,500 on the Estimates for the current year and of £15,000 a year in future years. As against the savings for the current year, however, is an item of additional expenditure of £2,300 referred to later in paragraph 316.

2.—Revenue.

305. *Customs and Excise.*—More than half this revenue is received by Trans-Jordan under the two agreements regulating the transit of goods between Syria and Trans-Jordan in the one case and between Palestine and Trans-Jordan in the other. As regards the former agreement, the Trans-Jordan Government are proposing that in future they should levy duty on dutiable materials of foreign origin used in the manufacture of goods in Syria. This proposal is a reasonable one, but consequential arrangements will have to be made with the Palestine Government for the reimbursement of duty in respect of Syrian manufactures coming in through Palestine.

The increased revenue payable to Trans-Jordan is estimated to be between £2,000 and £3,000, and we recommend that the necessary arrangements be made in time for the proposal to take effect from 1st April, 1932.

306. The payments made to Trans-Jordan under the agreement with Palestine are calculated on statistics, which are admittedly unreliable, of the trade between the two countries. An attempt is being made to collect more reliable figures, and it may be that some revision of the payments to Trans-Jordan will be necessary ; but we cannot forecast what will be the effect on Trans-Jordan revenues.

307. The excise duty on tobacco leaf is 120 mils per kilo. on the cheapest brands and 220 mils per kilo. on the rest. The revenue is seriously prejudiced by the coarse tobacco cultivated locally and known as *hashieh,* which is not taxed or controlled. We see no reason why this local tobacco should not be taxed at the lowest of the present rates on other tobacco, namely, at 120 mils per kilo. Such a tax is estimated to yield between £2,000 and £3,000 a year, and we recommend that it should be imposed. We understand that no additional staff would be required to collect it.

308. The other dutiable articles which are of importance from a customs revenue point of view are benzine, sugar, and matches. These articles are excluded from the scope of the agreement with Palestine and Syria, and the duties are collected locally. The rates of duty are lower than in Palestine. Thus, while the Palestinian rate of import duty on benzine is 200 mils for a 4-gallon tin, the Trans-Jordan rate is 130 mils, with the addition, in Amman, of a municipal tax of 50 mils. Sugar pays 10 mils a kilo. in Palestine and 7 mils in Trans-Jordan. Imported matches pay 200 mils a gross in Palestine and 75 mils in Trans-Jordan. Owing to the difference in the character of the population it does not follow that the rates of duties in force in Palestine are necessarily suitable to Trans-Jordan, but we do not think it would be difficult to readjust these local customs duties so as to produce an extra £2,000 in revenue, and we recommend that this be done in such a manner as the Trans-Jordan Government think best.

309. *Licences and Taxes.*—It is proposed to substitute a new Land Tax for the existing House and Land Tax, Road Tax, and Tithe, and surveys are at present in progress for the double purpose of settling the titles of owners of the land and of assessing it to a tax. The survey will be completed in 1933 if it continues possible for the survey parties to settle the titles as they go along; otherwise completion will be delayed until 1935. It is, however, intended to introduce the new Land Tax in two northern districts in the next financial year 1932–33. Owing to the fact that the basis on which tithe is now assessed varies from district to district, it is not possible to give a firm estimate of the yield of the new tax for the whole of the country. In Trans-Jordan, however, the tithe was fortunately never commuted, and for this reason, and also because the economic conditions are relatively more favourable than in Palestine, it is confidently expected that by the time the tax is introduced in all districts, the yield of the tax (at the rate of 5 per cent. of the gross value of the land) will exceed by £10,000 the combined present yield of the three taxes for which it will be substituted. It is estimated that an increase of £2,500 in revenue will result from the introduction of the tax in two districts next year.

310. We have no comments to make on the Animal Tax which is estimated to yield £36,000 this year.

311. The Temettu Tax (yielding £4,000) is a tax on individuals and companies, varying, as the case may be, according to their fixed salaries, number of employees, and the size of the place of residence or business. It is administered under a complicated Turkish law and is the cause of considerable trouble. Attempts have already been made to simplify the law and we suggest that they should be pursued with a view to substituting a system of licence fees according to profession, occupation, or trade.

312. *Fees of Court and Office.*—The Civil Court fees correspond generally to those charged in Palestine and we have no comments to make, except that they should be collected by means of stamps instead of in cash. The Sharia Court fees amounting to £1,850 may be compared with £3,900, the cost of the Sharia Courts, and we think the fees should be revised so as to reduce the net cost of the Courts by, say, £1,000.

A sum of £6,750 is received under this head from pensionary contributions by officers of the Trans-Jordan Government. The future basis of their pension privileges is, we understand, at present under consideration, but we propose to assume that this amount will continue to be received in future.

313. *Posts and Telegraphs.*—The receipts from the major items of revenue in recent years have been as follows:—

	1928–29.	1929–30.	1930–31.	1931–32 (*estimated*).
	£P.	£P.	£P.	£P.
Stamps ..	4,276	5,594	10,263	7,500
Telegrams ..	1,670	1,674	1,842	2,100
Telephones ..	2,762	5,146	6,071	6,000

The proceeds of the sale of stamps have been swollen for several years past by the printing of successive new issues which have attracted revenue amounting to about £4,000 a year from philatelists, and the normal revenue from stamps cannot be expected, on the basis of the actual receipts last year, to amount to more than £6,000 in the immediate future. We think the Trans-Jordan Government should exercise more discretion in the frequency with which new types of stamps are printed, and content themselves with making such issues at more reasonable intervals. If, as we have suggested, the inland postage rate in Palestine is raised from 5 to 6 mils, a similar increase should be made in Trans-Jordan; it will yield about £200 extra postage revenue.

314. The small revenue from telephones explains the fact that the cost of the Post Office (£14,928 in 1931–32) exceeds the estimated normal revenue (£12,200) after excluding the adventitious revenue from the new issues of stamps. The public demand for telephone services is small, and figures have been supplied to us showing that

out of 977 kilometres of trunk lines, 385 kilometres are required for police posts only, and 153 kilometres for other Government services ; private and commercial subscribers, therefore, use rather less than half of the total lines in the country. There were 24 new private subscribers in 1929, 20 in 1930, and no applications as yet have been received in 1931. We understand however, that the Arab Legion are not paying the rentals which would ordinarily be charged for the special lines erected over long distances from the exchanges, and to this extent the revenue of the Post Office is not assessed on a commercial basis and the estimates of the Arab Legion do not show the true cost of the Police services.

315. The changes proposed above, on the assumption that they are introduced as from the beginning of the financial year 1932–33 and apart from any natural expansion in individual items, would result in a net increase of total revenue of about £9,000 in that year.

3.—General Financial Position.

316. We can now examine the financial position with a view to suggesting how far it should be possible for His Majesty's Government to reduce the grant-in-aid of the Civil Administration.

On the 31st March, 1931, the Trans-Jordan Government had a balance in hand of £13,854. Against this, however, are to be set certain commitments in respect of expenditure authorized and incurred, but not then met, on account of 1930–31 ; these were £9,950 for non-recurrent expenditure in connexion with the establishment of the Desert Patrol, and possibly £1,800 for the Trans-Jordan share of the expenses of the arbitration proceedings on raids into and from the Nejd. The true balance on 31st March, 1931, may therefore be put at £2,100. On that basis the receipts available during 1931–32 will be the balance of £2,100, the estimated revenue of £263,850, and the civil grant-in-aid of £92,500, making a total of, say, £358,000. The estimated civil expenditure, reduced by the total savings of £9,500 indicated in paragraph 304, will be £338,048, but to this must be added a sum of £2,333, not provided in the Estimates, but which may have to be paid, as Trans-Jordan's share of the cost of the proposed commission for delimiting the boundary between Trans-Jordan and Syria ; in the result the civil expenditure for the year may be estimated at £340,000. The Government would then close the year with a balance in hand of £18,000. The grant-in-aid which His Majesty's Government undertook to pay for the current year could, therefore, be reduced by a substantial amount, say, £14,000, leaving the Trans-Jordan Government with a working balance of £4,000.

For the year 1932–33 the estimates of civil expenditure could be reduced, as indicated in paragraph 304, by £15,000 below the current year's figure, that is, to £332,000. On the other hand, the revenue, as proposed in paragraph 315, could be increased by

£9,000 to, say, £273,000. If the working balance of £4,000 were maintained, the deficiency of revenue in 1932–33 to be covered by a grant-in-aid from His Majesty's Government would be £59,000.

317. The figure last mentioned should, in the absence of abnormal disturbing factors, be susceptible of gradual reduction in successive years. There may be a very slight rise in the cost of the Administration owing, amongst other things, to the annual increments of salary scales. On the other hand there will be a saving of expenditure when the survey is completed ; there should be some natural growth of revenue ; and as already noted, the yield of the new Land Tax will be substantially higher than that of the taxes which it will replace.

318. There always remains, however, the possibility that as in 1929 and 1930 substantial expenditure may be unavoidable if it becomes necessary to combat an invasion of locusts. Fortunately, no invasion on a dangerous scale is now likely this year, and in course of time it may be that the greater attention which is being given to the scientific study of the path of the locusts will enable more effective measures to be taken to combat them at their breeding places outside Trans-Jordan. If a campaign on a large scale is again necessary, it will no doubt always be possible to meet part of the cost of it by the postponement of other expenditure, since, apart from other considerations, large numbers of Government servants in all departments are enrolled for such campaigns, and expenditure on normal services is therefore automatically curtailed.

4.—Conditions of service of the staff.

319. In some cases these are not very clearly defined. Three groups of officers are concerned. In the first there are the British officers of the Senior Service who have been seconded from the Palestine Government service, and whose duties are in most cases analogous to those of their former departments in Palestine ; these at present comprise the British Resident, the Assistant British Resident, the Judicial Adviser, the Financial Adviser, the Officer Commanding the Arab Legion, and the Assistant Commandant in charge of administration, and the Director of Surveys. The Superintendent of the British Resident's office and the Accountant of the Arab Legion enjoy the status of a Class 3 officer while serving in Trans-Jordan. As some compensation for the lack of certain amenities which service in Trans-Jordan entails, and for the payment of pensionary contributions, these Senior Service officers are granted while serving there the status and emoluments of the grade next higher than their substantive grade in Palestine. We see no objection to this concession, and subject to the point mentioned immediately below, we think that the emoluments of the officers concerned should in future be those which may be approved for the appropriate grade in Palestine as a result of the recommendations

made earlier in our report. Some adjustment may, however, be necessary in view of the fact that housing is provided for some of the officers on more favourable terms than will be the case in Palestine. No definite period of secondment appears to have been laid down as yet for any of them; and their pensionary privileges are also unsettled. It has not yet been decided in what form the superannuation benefits attributable to their service in Palestine are to be calculated; and since no Pensions Law has yet been enacted in Trans-Jordan (although such a Law is in draft) the corresponding benefits in respect of their service in Trans-Jordan are equally indeterminate. We can only recommend that these matters should be settled as quickly as possible, since they are obviously important, both to the two Governments and to the officers concerned.

The second group of British officers comprises those who have not previously served in Palestine but have been appointed direct by the Trans-Jordan Government. They include the Director of Lands, the Director of Customs, the Officer in charge of the Desert Patrol, the Inspector and Assistant Inspector of Antiquities, the Police Inspector of Traffic, and the Bacteriologist in the Government Laboratory. At present these officers are all on temporary engagements. We suggest that the Government should decide for what period their services are likely to be required, with a view to offering them appointments for a fixed period of years. We have no comments to make on the emoluments which are at present attached to these posts.

Finally, there are the five clerks employed in the British Resident's Office, of whom the senior is British. They are paid out of Trans-Jordan revenues, but, as a result of the special status conferred on the British Resident and his staff, they are not servants of the Trans-Jordan Government and so will not enjoy any pension privilege under the draft Trans-Jordan Pension law. We are unable to make any definite recommendation on this matter, which only came to our notice shortly before we left the country; but we desire to call attention to the necessity for some arrangement which will be equitable to the clerks concerned.

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Appendix I.

SURVEY DEPARTMENT: ESTIMATED EXPENDITURE, 1931 TO 1942.

Service.	COST (excluding Administration and Inspection).													Administration and Inspection.	Total.
	1931.	1932.	1933.	1934.	1935.	1936.	1937.	1938.	1939.	1940.	1941.	1942.	Total.		
	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.
Triangulation	5,413	4,065	1,914	1,750	1,914	1,750	1,914	1,750	1,750	1,750	—	—	23,970	5,497	29,467
Fiscal Map	8,122	10,681	11,028	2,280	2,280	1,933	1,586	—	—	—	—	—	37,910	8,694	46,604
Levelling and Contouring..	1.645	2,311	2,311	2,977	1,332	1,645	1,332	979	—	—	—	—	14,532	3,332	17,864
Beisan Lands	415	—	—	—	—	—	—	—	—	—	—	—	415	95	510
Land Settlement	15,346	19,971	23,043	30,066	37,560	37,560	37,560	37,560	37,560	37,560	37,560	30,067	381,413	87,466	468,879
Village Sites*	2,231	2,231	3,513	4,295	—	—	—	—	—	—	—	—	12,270	2,814	15,084
Upkeep and Miscellaneous	4,629	4,937	5,840	7,052	7,956	8,552	9,147	9,743	10,339	10,626	11,222	11,817	101,860	23,358	125,218
	37,801	44,196	47,649	48,420	51,042	51,440	51,539	50,032	49,649	49,936	48,782	41,884	572,370	131,256	703,626
Administration and Inspection	9,738	9,863	9,988	11,088	11,233	11,378	11,523	11,668	11,813	10,863	10,988	11,113	131,256		
Total	47,539	54,059	57,637	59,508	62,275	62,818	63,062	61,700	61,462	60,799	59,770	52,997	703,626		

* For Urban Property Tax Purposes.

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Appendix II.

DISTRICTS COURTS OF JERUSALEM, JAFFA, HAIFA, NABLUS, AND BEERSHEBA. CRIMES AND SENTENCES, 1928.

Nature of Offence.	Reference to Ottoman Penal Code.	Sentences either in First Instance or on Appeal.																																		Total Accused					
		15 years and over.						10 years and under 15 years.						5 years and under 10 years.						3 years and under 5 years.						1 year and under 3 years.						Under 1 year.						Fined only.						Bound over.						Acquitted.											
		Moslems.		Christians.		Jews.		Moslems.		Christians.		Jews.		Moslems.		Christians.		Jews.		Moslems.		Christians.		Jews.		Moslems.		Christians.		Jews.		Moslems.		Christians.		Jews.		Moslems.		Christians.		Jews.		Moslems.		Christians.		Jews.		Moslems.		Christians.		Jews.	
		M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.
Homicide (Attempted and Other).	Arts. 174(1), 174, 180, 181, 186, 189	9	–	–	–	–	–	15	–	–	–	–	–	26	–	–	–	–	–	17	–	1	–	–	–	25	–	–	–	–	–	20	–	–	–	–	–	1	–	–	–	–	–	2	–	–	–	–	–	45	2	3	–	4	–	160	2	4	–	5	–
		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3	–	–	–	–	–	8	–	–	–	1	–	2	–	2	–	1	–	–	–	–	–	1	–	–	–	–	–	9	5	3	–	2	–	22	5	5	–	4	–
Brigandage, Highway Robbery.	Arts. 62, 63 ..	4	–	–	–	–	–	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3	–	–	–	–	–	8	–	–	–	–	–
and Robbery with Arms.	Arts. 217, 218, 219..	–	–	–	–	–	–	2	–	–	–	–	–	5	–	–	–	–	–	5	–	–	–	1	–	5	–	–	–	–	–	3	–	–	–	1	–	–	–	–	–	–	–	–	–	–	–	–	19	–	–	–	–	–	39	–	–	–	2	–
Offences against the Police.	Arts. 112 to 115 ..	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2	–	–	–	–	–	45	–	1	–	7	2	16	–	3	–	2	2	–	–	–	–	–	–	14	–	1	–	1	–	77	–	4	–	10	4
Burglary	Art. 217	–	–	–	–	–	–	–	–	–	–	–	–	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2	–	–	–	–	–
Theft	Arts. 82, 218, 221, 220, 230.	3	–	–	–	–	–	1	–	–	–	–	–	17	–	–	–	–	–	24	–	–	–	7	–	87	2	4	–	3	–	195	6	15	2	8	–	7	–	–	–	–	–	7	–	1	–	3	3	276	5	10	–	22	1	617	13	30	2	40	4
Arson	Arts. 163 to 167 ..	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	6	–	–	–	–	–	7	–	–	–	–	–	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	16	–	–	–	–	–	32	–	–	–	–	–
Abduction, Indecent Assault.	Arts. 197, 198, 199, 292(1).	2	–	–	–	–	–	–	–	–	–	–	–	3	–	–	–	–	–	6	–	–	–	1	8	–	–	–	–	–	–	33	11	4	1	1	2	3	1	4	1	1	1	2	1	2	–	3	2	35	9	6	2	–	–	92	22	16	4	5	6
Rape and attempted Rape.	Arts. 206, 200 ..	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	–	–	–	–	–	2	1	–	–	–	–	6	3	3	1	1	–	–	1	–	–	–	–	–	–	–	–	–	–	1	4	1	2	1	2	–	13	6	5	2	3	1
Assaults	Arts. 177, 179 ..	–	–	–	–	–	–	–	–	–	–	–	–	1	–	–	–	–	–	4	–	–	–	–	–	22	–	–	–	1	–	206	2	7	–	3	–	38	3	2	–	2	–	7	1	–	–	–	–	69	5	4	–	2	–	347	11	13	–	8	–
Abuse of Office and other offences by Public Officials.	Arts. 94 to 111	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	–	–	–	–	–	2	–	2	–	2	–	4	–	1	–	1	–	–	–	–	–	–	–	5	–	–	–	–	–	12	–	3	–	3	–
		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	38	–	–	–	–	–	122	1	3	–	–	–	14	21	1	1	1	–	–	–	–	–	7	38	1	6	–	–	–	212	4	10	1	1	7
Fraud and False Pretences.	Arts. 234, 236, 240, 87, 93.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	5	–	–	–	–	–	76	1	2	–	4	–	9	1	2	1	–	–	1	–	–	–	–	–	37	–	5	–	10	–	128	2	9	1	14	–
Bribery	Arts. 67 to 79 ..	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	–	–	–	7	–	–	–	–	–	6	–	–	–	1	–	–	–	–	–	–	–	13	1	–	–	5	–	26	1	1	–	6	–
Forgery	Arts. 148 to 162, 235, 82, 143.	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2	–	–	–	–	–	24	2	2	–	2	–	6	–	–	–	1	–	1	–	–	–	–	–	22	1	5	–	5	–	55	3	7	–	8	–
Malicious Prosecution, Perjury, and False Evidence.	Arts. 207, 212	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3	–	1	–	–	–	36	–	1	–	–	–	9	2	2	–	–	–	–	–	–	–	–	–	3	15	5	2	2	4	–	64	7	6	2	4	3
	Art. 213 ..	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	7	2	–	–	–	–	1	–	–	–	–	–	–	–	–	–	–	–	4	–	1	–	1	–	11	2	1	–	1	–
Press Offences ..	Press Law 1910 ..	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2	–	–	–	–	–	1	–	–	–	–	–	3	–	–	1	7	–	3	–	–	1	9	1
Criminal Libel ..	Art. 214	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	–	–	–	–	–	4	–	1	–	–	–	2	–	1	–	–	–	–	–	–	–	–	–	8	–	3	–	1	–	15	–	5	–	1	–
Sedition	Arts. 55 to 61, 66 ..	–	–	–	–	–	–	–	–	–	–	–	–	1	–	–	–	–	–	–	–	–	–	–	–	7	–	–	–	–	–	3	1	1	–	–	–	1	1	–	–	2	–	–	–	–	–	–	–	–	–	1	–	1	2	12	2	2	–	3	2
Miscellaneous Offences	—	–	–	–	–	–	–	1	–	–	–	–	–	1	1	–	–	–	–	7	–	–	–	2	–	48	–	2	1	3	–	319	10	22	3	13	1	96	5	23	–	9	1	4	–	–	–	2	1	206	5	22	4	22	3	682	21	69	8	51	6
		18	–	–	–	–	–	20	–	–	–	–	–	56	1	–	–	–	–	73	–	1	–	10	1	271	3	8	1	8	–	1,113	39	66	7	45	5	213	35	39	3	21	5	24	2	3	–	8	17	841	40	74	10	89	6	2,629	101	190	21	178	34

M=Male. F=Female.

Appendix III.

CIVIL CASES, 1930.

Court.	*Over* £P.500.	£P.500 *and under.*	£P.400 *and under.*	£P.300 *and under.*	£P.200 *and under.*	*Amount unfixed.*	*Total.*
Jerusalem District Court	67	14	21	56	92	238	488
Beersheba District Court	—	—	—	—	2	—	2
Jaffa District Court	98	41	30	78	200	—	447
Haifa District Court	43	9	15	33	109	59	268
Nablus District Court	6	2	7	7	28	—	50
Jerusalem Land Court	8	2	1	8	75	—	94
Jaffa Land Court	6	1	3	5	74	—	89
Haifa Land Court	2	2	2	3	26	12	47
Nablus Land Court	2	1	—	1	61	—	65
	232	72	79	191	667	309	1,550

Appendix IV.

NATIONALITIES, ETC., OF PALESTINE GOVERNMENT STAFFS.

Classified Services (excluding the Trans-Jordan Frontier Force and the Railways).

	British Officers.				Palestinian Officers.				Total.
	Christians.	Moslems.	Jews.	Total.	Christians.	Moslems.	Jews.	Total.	
Senior Service—									
Above Class I ..	48	—	2	50	—	—	—	—	50
Class 1	26	—	2	28	1	2	2	5	33
Class 2	61	—	3	64	5	14	3	22	86
Class 3	76	1	11	88	77	69	45	191	279
	211	1	18	230	83	85	50	218	448
Junior Service—Clerical Cadre—									
Special Grade ..	6	—	1	7	—	—	1	1	8
Grade 1	14	—	3	17	16	1	9	26	43
Grade 2	2	—	3	5	74	17	38	129	134
Grade 3	3	—	5	8	173	85	96	354	362
	25	—	12	37	263	103	144	510	547
Junior Service—Other than Clerical Cadre—									
Special Grade ..	—	—	—	—	1	—	—	1	1
Grade 1	41	—	4	45	17	7	13	37	82
Grade 2	17	—	1	18	88	47	68	203	221
Grade 3	3	—	5	8	620	827	421	1,868	1,876
	61	—	10	71	726	881	502	2,109	2,180
Total ..	297	1	40	338	1,072	1,069	696	2,837	3,175

Appendix V.

FINANCIAL POSITIONS OF THE RAILWAYS.

Period.	*Revenue.*		*Total Revenue.*	*Expenditure.*		*Total Expenditure.*	*Surplus.*	*Deficit.*
	Coaching and Goods.	*Miscellaneous.*		*Ordinary.*	*Capital Improvements.*			
	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.
Palestine Railways.								
To end 1927 ..	2,821,097	212,705	3,033,802	2,642,907	488,739	3,131,646	52,662	150,506
1928 ..	354,168	80,982	435,150	265,023	29,586	294,609	140,541	—
1929 ..	350,579	47,502	409,513	372,049	8,269	380,318	29,195	—
1930 ..	347,739	37,985	385,724	390,259	15,057	405,316	—	19,592
£P.	3,873,583	379,174	4,264,189	3,670,238	541,651	4,211,889	222,398	170,098
1931 Estimates.. £P.	361,000	36,000	397,000	427,511	19,350	446,861	—	49,861
Sinai Military Railway.								
To end 1927 ..			579,134	525,275		525,275	53,859	—
1928 ..			147,256	117,217		117,217	30,039	—
1929 ..			143,764	131,424	(a)	131,424	12,340	—
1930 ..			139,412	110,224		110,224	29,188	—
£P.			1,009,566	884,140		884,140	125,426	—
1931 Estimates.. £P.	121,000	4,000	125,000	118,489	(a)	118,489	6,511	—
Hedjaz Railway.								
To end 1927 ..	335,989	18,525	354,514	332,721	51,651	384,372	3,616	33,474
1928 ..	95,111	3,109	98,220	105,384	21,733	127,117	—	28,897
1929 ..	104,903	5,682	110,585	96,371	3,729	100,100	10,485	—
1930 ..	103,439	12,967(b)	116,406	87,264	6,809	94,073	22,333	—
£P.	639,442	40,283	679,725	621,740	83,922	705,662	36,434	62,371
1931 Estimates.. £P.	103,000	4,000	107,000	100,112	3,031	103,043	3,857	—

Notes.—(a) Under the agreement with His Majesty's Government expenditure on capital improvements to the Sinai Military Railway is met from Palestine Railway funds. These improvements, however, increase the Palestine Railways share of the profits. (*See* paragraph 226 of Report.)

(b) This sum includes £P.7,512 in respect of arrears of rent of land occupied by the Customs Department at Haifa.

Appendix VI.

RAILWAY EXPENDITURE (ESTIMATES) FOR 1931.

		Palestine Railway.		*Sinai Military Railway.*		*Hedjaz Railway.*		*Total.*	
		£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.
Salaries, etc., of administrative and technical staffs			64,146		22,766		22,557		109,469
Maintenance Expenditure :—									
(*a*) Ways and Works	Labour	29,990		13,358		16,211		59,559	
	Materials	22,113		11,398		6,801		40,312	
		43,902	52,103	14,728	24,756	15,352	23,012	73,982	99,871
(*b*) Locos and Rolling Stock ..	Labour	18,855		6,067		6,182		31,104	
	Materials	34,331	62,757	9,776	20,795	11,639	21,534	55,746	105,086
(*c*) Transportation	Labour	41,148		12,468		14,384		68,000	
	Materials		75,479		22,244		26,023		123,746
Hire of Rolling Stock			—		11,400		—		11,400
Posts and Telegraph Services			5,350		2,200		1,741		9,291
Miscellaneous			14,713		14,328		5,245		34,286
Debt Charges			152,963		—		—		152,963
Capital Improvements			19,350		—		3,031		22,381
Totals .. .. .. £P.			446,861		118,489		103,143		668,493

Appendix VII.

SUMMARY OF REVENUE FOR THE YEARS 1921–22 TO 1931 (*a*).

Heads of Revenue.	1921–22.	1922–23.	1923–24.	1924–25.	1925–26.	1926–27.	*April to December* 1927 (*b*).	1928 (*b*).	1929.	1930.	1931. (Estimates)
	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.
Customs	(*c*) 566,127	609,623	494,131	642,068	886,312	803,665	569,935	892,278	917,050	991,688	975,500
Port and Marine ..	(*d*) 5,319	4,982	5,798	6,120	8,699	7,226	4,304	5,468	8,677	9,703	9,200
Licences, Taxes, etc.	(*e*)(*f*) 551,438	505,249	531,517	627,248	802,566	722,545	547,028	709,974	761,823	740,664	805,900
Fees of Court and Office, etc. ..	160,015	155,303	145,623	187,024	300,359	246,151	162,668	234,298	230,844	248,371	242,300
Posts, Telegraphs, and Telephones	124,330	108,987	117,322	127,783	157,907	155,568	129,897	186,554	207,288	220,384	223,200
From Government Property ..	33,117	22,138	16,086	22,665	21,316	19,780	15,490	17,092	16,541	14,613	18,000
Interest	20,952	837	1,647	812	5,371	2,727	4,749	57,194	104,207	87,485	67,000
Miscellaneous ..	35,448	6,645	6,081	3,905	2,062	20,412	5,287	6,001	16,650	28,465	45,000
	1,496,746	1,413,764	1,318,205	1,617,625	2,184,592	1,978,074	1,439,358	2,108,859	2,263,080	2,341,373	2,386,100
Land Sales ..	1,182	4,580	1,234	1,241	17,468	7,657	4,502	4,511	6,774	6,887	4,000
Railway Surplus ..	30,438	—	—	9,070	—	—	—	140,541	29,195	—	—
	1,528,366	1,418,344	1,319,439	1,627,936	2,202,060	1,985,731	1,443,860	2,253,911	2,299,049	2,348,260	2,390,100
Grant-in-aid ..	—	—	—	195,126	204,878	86,476	30,345	35,797	24,523	41,286	143,000
Total .. £P.	1,528,366	1,418,344	1,319,439	1,823,062	2,406,938	2,072,207	1,474,205	2,289,708	2,323,572	2,389,546	2,533,100

Notes.—(*a*) Adjusted to allow of comparability with 1931 figures.
(*b*) The financial year was changed to the calendar year as from 1st January 1928.
(*c*) Excludes £P.73,129 collected prior to 1st April 1921 and held on deposit until 1921–22.
(*d*) Excludes £P.5,660 from Quarantine Fees classified with "Fees of Court and Office, etc."
(*e*) Excludes £P.228,849 collected prior to 1st April 1921, and held on deposit until 1921–22.
(*f*) Includes £P.2,704 from the Agricultural Department.

Appendix VIII.

CLASSIFIED SUMMARY OF EXPENDITURE (*a*).

Services.	1921–22.	1925–26.	1929.	1930.	1931. (*Estimated*).
	£	£	£	£	£
I. *Debt Charges*	6,683	146,984 (*e*)	100,910	112,609	124,348
II. (i) *Central Administration and Finance* .. (His Excellency the High Commissioner, Secretariat, Treasury Audit, and Immigration.)	95,038	60,196	71,099	70,996	78,587
(ii) *District Administration*	80,624	99,594	88,528	89,590	97,845
(iii) *Surveys*	1,881	13,398	39,245	42,206	49,410
III. *Legal* .. .. (Legal, Judicial, Land Settlement, and Lands Department).	97,385	90,189	127,949	129,788	146,077
IV. *Police and Defence*—					
(i) Police and Prisons (*b*)	337,232	207,173	357,976	458,010	495,603
(ii) Gendarmerie	—	283,884	—	—	—
(iii) Defence (*c*)	—	1,002	177,632	318,887 (*g*)	223,452
V. *Social Services* .. .. (Health, Education, Agriculture, and Antiquities).	290,170	232,712	325,450	358,793	359,822
VI. *Revenue Departments* (*d*) .. .. (Customs and Post Office.)	212,330	135,116	208,009	218,491	237,308
VII. *Public Works Department and Recurrent Works* ..	104,394	148,419	186,257	213,311	226,862
VIII. *Pensions*	17,585	17,920	17,797	16,829	18,060
IX. *Miscellaneous*	144,832	141,963	289,896 (*f*)	268,768(*h*)	120,178
	1,388,154	1,578,550	1,990,748	2,298,278	2,177,552
X. *Extraordinary Works*	—	79,833	149,284	218,635	304,105
	1,388,154	1,658,383	2,140,032	2,516,913	2,481,657
XI. *Railway Deficits*	—	31,878	—	19,592	49,861
Total .. .. £P.	1,388,154	1,690,261	2,140,032	2,536,505	2,531,518

Notes :—(*a*) Excluding gross railway expenditure and including only net deficits on railways.

(*b*) Excluding Immigration Section, which is included under item II (i).

(*c*) Including Trans-Jordan Frontier Force.

(*d*) A large part of the inland revenue is collected by the District Administration.

(*e*) Includes annuities in respect of the Palestine share of the Ottoman Public Debt, which was paid off completely in 1928.

(*f*) Includes special grants to Tel Aviv Township (£P.75,619) and Jerusalem Municipality (£P.55,211).

(*g*) Includes £P.33,479 in respect of the year 1929.

(*h*) Includes compensation for damage during the riots (£P.101,135) and special grant to Jerusalem Municipality (£P.31,178).

Appendix IX.

BALANCE OF REVENUE AND EXPENDITURE, 1921–22 TO 1931.

	Excess (+) or Deficiency (−) of Revenue (a) compared with Ordinary Expenditure (b).	*Expenditure on Extra-ordinary Works.*	*Railways Surplus (+) or Deficit (−).*	*Grant-in-aid (c).*	*Final Surplus (+) or Deficit (−).*
	£	£	£	£	£
1921–22 ..	+ 109,774	—	+ 30,438	—	+ 140,212
1922–23 ..	− 44,197	—	− 30,252	—	− 74,449
1923–24 ..	+ 70,779	− 10,920	− 59,176	—	+ 683
1924–25 ..	+ 257,137	− 159,372	+ 9,070	+ 195,126	+ 301,961
1925–26 ..	+ 623,510	− 79,833	− 31,878	+ 204,878	+ 716,677
1926–27 ..	+ 394,999	− 152,234	− 1,444	+ 86,476	+ 327,797
Apr.-Dec. 1927 ..	+ 151,258	− 358,865(*d*)	− 27,755	+ 30,345	− 205,017(*d*)
1928 ..	− 737,165(*e*)	− 236,849	+ 140,541	+ 35,797	− 797,676(*e*)
1929 ..	+ 279,106	− 149,284	+ 29,195	+ 24,523	+ 183,540
1930 ..	+ 49,982	− 218,635	− 19,592	+ 41,286	− 146,959(*f*)
1931 .. (*Estimates*).	+ 212,548	− 304,105	− 49,861	+ 143,000	+ 1,582

Notes :—(*a*) The figures used are those in Appendix VII including Land Sales, but excluding Railway surplus and Grants-in-aid.

(*b*) The figures used are those in Appendix VIII (and corresponding figures for the years not included in that Appendix) excluding Extraordinary Works and Railway deficits.

(*c*) For the basis of the Grants-in-aid see paragraph 244.

(*d*) Expenditure on Extraordinary Works for this period includes £P.202,921 in respect of previous years' works charged to Loan Funds and now charged against Revenue.

(*e*) The expenditure for 1928 includes £P.648,823 to pay off the Palestine share of the Ottoman Public Debt; £P.206,541 to clear a deficit which arose during the Military Administration; and £149,121 expenditure on Surveys during 1920–27 previously charged to Loan Account but transferred as a charge against revenue during 1928.

(*f*) The surpluses and deficits given in this column, together with a surplus of £P.179,342 on the period 1st July 1920 to 31st March 1921, account for the surplus balance of £P.626,111 on 31st December 1930.

Appendix

LOAN ACCOUNT AT

Receipts.			*Amount.*	
			£P.	mils.
Proceeds of 5 per cent. Loan of £4,475,000 Stock, issued at £100 10*s.* 0*d.* per cent.			4,497,375	000
Revised allocation of loan subject to approval by the Secretary of State.				
Item I.	£P.	£P.		
Railways :—				
1. Railway workshops.. ..	241,277			
2. Other Railway Works ..	1,394,634			
3. Unallocated	4,089			
		1,640,000		
Item II.				
Purchase of railway and other capital assets from His Majesty's Government		1,000,000		
Item III.				
Harbour Construction and Port Improvements :—				
1. Jaffa Port Improvements ..	101,000			
2. Haifa Harbour Construction	1,250,000			
		1,351,000		
Item IV.				
Telegraphs and Telephones ..	188,231			
Government Offices and Construction and Equipment of Printing Office	197,841			
Cost of raising Loan	120,303			
		506,375		
	£P.	4,497,375		
	£P.		4,497,375	000

X.

31ST DECEMBER, 1930.

Expenditure.		*Amount.*	
	£P. mils.	£P.	mils.
Item I.			
Railways :—			
1. Railway Workshops	137,759·108		
2. Other Railway Works (completed)..	1,394,512·705		
		1,532,271	813
Item II.			
Purchase of railway and capital assets from His Majesty's Government ..		1,000,000	000
Item III.			
Harbour Construction and Port Improvements :—			
1. Jaffa Port Improvements	63,947·174		
2. Haifa Harbour Construction ..	309,870·076		
		373,817	250
Item IV.			
Telegraphs and Telephones	187,964·597		
Government Buildings :—			
Acquisition of site	21,300·000		
Cost of raising Loan	120,302·458		
		329,567	055
		3,235,656	118
Balance		1,261,718	882
	£P.	4,497,375	000

Appendix XI.

CUSTOMS REVENUE—PRINCIPAL DUTIABLE ARTICLES (1925 AND 1930).

		Unit.	Total Imports.		Imports of Syrian Origin Free of Duty.		Rate of Duty.	Yield of Duty.	Changes in the Rates of Import Duty.
			Quantity.	Value.	Quantity.	Value.			
				£P.		£P.		£P.	
Benzine ..	1925	Litres	5,556,464	120,389	—	—	Mils 160 per tin up to litres 18·2.	49,203	In December 1928 the import duty on benzine was raised to mils 180 per tin of litres 18·2 and to mils 10 per litre if in bulk. In April 1930 the present rates of duty were instituted.
	1930	Litres	16,346,626	227,308	—	—	Mils 200 per tin up to litres 18·2. Mils 11 per litre if in bulk.	174,401	
Sugar ..	1925	Kilos	8,664,195	185,468	—	—	Mils 10 per kilo ..	88,066	No change occurred in rate of duty.
	1930	Kilos	10,669,752	121,504	—	—	Mils 10 per kilo ..	105,187	
Cotton Piece Goods.	1925	Kilos	2,584,785	689,750	412,044	105,250	12 per cent. *ad valorem*	58,500	In November 1927 specific rates of duty were substituted for *ad valorem* rates ; the new rates were themselves slightly changed in December 1928.
	1930	Kilos	2,503,887	478,545	149,546	38,069	Various rates of specific duty.	64,667	
Kerosene ..	1925	Litres	23,032,837	177,518	—	—	Mils 6 per gallon or litres 4·55.	30,976	From November 1927 to December 1928 import duty on kerosene was mil 1·8 per kilo irrespective of whether kerosene was imported in tins or otherwise.
	1930	Litres	37,655,680	185,296	—	—	Mils 27 per tin up to litres 18·2. Mils 1·5 per litre.	56,513	

Tobacco Leaves	1925	Kilos	124,487	17,660	—	—	Mils 400 per kilo ..	53,730	As from January 1925 to June 1925 the rate of duty charged on tobacco leaves was mils 500 per kilo.
	1930	Kilos	114,848	24,754	—	—	Mils 400 per kilo ..	45,940	
Wheat Flour	1925	Kilos	16,934,457	320,699	54,930	1,144	Mils 1,750 per 1,000 kilos.	29,692	In April 1930 the duty on wheat flour was raised to mils 3,000 per 1,000 kilos until August 1930.
	1930	Kilos	13,886,041	178,329	117,176	1,385	Mils 4,500 per 1,000 kilos.	44,127	
Cigarettes ..	1925	Kilos	44,888	41,372	—	—	Mils 1,000 per kilo ..	34,633	As from January 1925 to June 1925 the duty charged on cigarettes was mils 600 per kilo.
	1930	Kilos	26,146	14,856	—	—	Mils 1,000 per kilo ..	26,137	
Motor Cars..	1925	No.	805	128,372	—	—	15 per cent. *ad valorem*	18,194	No change occurred in rate of duty.
	1930	No.	848	163,485	—	—	15 per cent. *ad valorem*	23,837	
Silk Fabrics	1925	Kilos	73,940	131,621	18,700	20,324	15 per cent. *ad valorem*	12,850	No change occurred in rate of duty.
	1930	Kilos	196,464	182,144	87,052	41,792	15 per cent. *ad valorem*	21,302	
Other Goods	1925	—	—	5,713,808	—	—	—	375,844	
	1930	—	—	5,409,037	—	—	—	562,111	
Total ..	1925	—	—	7,526,657	—	—	—	839,176	
	1930	—	—	6,985,258	—	—	—	991,557	

Note :—1,000 mils = £P.1 ; 1 kilo = 2·2 lb. ; 1 litre = 0·22 gal.

Appendix XII.

PALESTINE.

ESTIMATED APPROXIMATE FINANCIAL EFFECT OF RECOMMENDATIONS IN 1932 (AS COMPARED WITH THE ESTIMATES FOR 1931).

(*a*) Expenditure.*

Head of Estimates.	*Paragraph of Report.*	*Service.*	*Change.* +	*Change.* −
			£P.	£P.
I	248	Pensions (normal)	2,000	—
I	213	Pensions for redundant officers	5,000	—
V	21, 22, 26	District Administration ..	—	8,000†
VI	58–64	Judicial Department ..	—	10,000
X	156–158	Customs Department ..	—	2,000
XI	114–121	Health..	—	4,000
XII	142	Education	5,000	—
XIII		Agriculture, etc.:—		
	92–98, 101–102	Staff reductions	—	5,000
	105	Forestry	10,000	—
XVII	38 (2)	Surveys	—	9,000
—	46	Village Accountants ..	14,000	—
—	256	Development Commission ..	?	—
—	256	Registration of Co-operative Societies.	2,000	—
XVIII		Police :—		
	71	Officers	—	7,000
	71	Rank and File	—	11,000
XVIII	82, 85	Immigration Section ..	—	2,000
XX	251	Defence	70,000	—
XXI	168	Posts and Telegraphs ..	5,000	—
XXII	170–174	Public Works Department	—	6,000
XXI, XXIV	197	Cost of Living Allowances ..	—	25,000
XXIV	208	Passages	4,000	—
XXV	169	Posts and Telegraphs Extraordinary.	—	3,000
XXVI	187	Public Works Extraordinary	—	92,000
XXVIII	240	Railway deficit	—	8,000
—	167, 175, 235	Training of Technical Officers	1,000	—
—	193	Senior Service salaries ..	2,000	—
—	204	Reduction in number of Clerks	—	5,000
		Total .. £P.	120,000‡	197,000

(*b*) Revenue.

			£P.	£P.
I and III	259	Customs and Excise ..	65,000	—
III	262	Liquor Licences	1,000	—
III	271	Tithes	—	80,000
III	274	Urban Property Tax ..	70,000	—
IV	81	Naturalization	1,000	—
V	281	Inland Postage	3,000	—
VII	283	Interest on balances ..	—	30,000
VIII	284	Profits from currency ..	20,000	—
		Totals .. £P.	160,000	110,000

* Savings shown under individual departments as due to the abolition of posts have been calculated at the means of existing scales.

† Includes a saving of £3,000 on the expenses of Urban Property Tax assessment work.

‡ Plus provision to be made for the Development Commission.

Appendix XIII.

TRANS-JORDAN EXPENDITURE

(excluding that on Trans-Jordan Frontier Force, under heads 23 and 28 of the Estimates).

Head of Estimates.		1928–29 (*Actual*).	1929–30 (*Actual*).	1930–31 (*Approx. actual.*)	1931–32 (*Estimated.*)
		£P.	£P.	£P.	£P.
1	Civil List	16,415	15,537	13,559	13,610
2	Public Debt	590	652	730	590
3	Legislature	163	3,441	3,598	4,082
4	Pensions	3,609	3,705	5,156	4,400
5	Chief Minister and Interior ..	5,004	4,688	3,715	4,071
6	District Administration ..	7,790	7,800	7,300	7,337
7	Ministry of Justice	15,945	15,047	15,023	16,117
8	Sharia Courts	3,091	3,538	3,641	3,961
9	Ministry of Finance.. ..	15,952	15,756	14,550	16,524
10	Customs and Excise	6,212	7,001	6,871	8,109
11	Public Health	10,967	10,823	10,900	12,240
11A	Ma'an Quarantine	12	8	—	106
12	Education	21,094	21,463	21,721	24,304
13	Agriculture, Forests and Mines	8,090	5,417	5,263	8,288
14	Antiquities Department ..	1,984	1,832	2,376	2,815
15	Public Works Department ..	3,621	3,991	4,480	5,105
15A	Public Works Recurrent ..	20,038	19,702	16,691	23,700
16	Posts, Telegraphs, and Telephones	9,117	10,045	11,451	14,928
—	Land Registry	3,307	—	—	—
—	Surveys	5,736	—	—	—
17	Lands	—	10,701	12,636	14,682
18	Police and Prisons	98,661	97,662	97,192	115,115
19	Miscellaneous..	11,959	12,067	10,391	11,238
20	British Resident	6,679	6,896	7,003	6,979
21	Audit	2,522	3,198	3,271	4,287
22	Tribal Control Board ..	—	140	1,332	1,510
	Total, Ordinary £P.	278,558	281,110	278,850	324,098
	Extraordinary.				
24	Public Works	5,359	8,087	4,886	15,500
25	Posts, Telegraphs and Telephones	2,772	2,120	834	3,550
26	British Residency	1,232	258	—	300
27	H.H. the Amir's Estate ..	—	—	—	3,000
29	Police and Prisons	—	—	7,276	600
30	Antiquities	3,087	2,475	59	500
31	Anti-Locust Campaigns ..	—	12,648	21,132	—
32	Nejd Arbitration	—	—	—	—
33	Public Health	288	273	—	—
	Total Extraordinary £P.	12,738	25,861	34,187	23,450
	Total Expenditure £P.	291,296	306,971	313,037	347,548

Appendix XIV.

TRANS-JORDAN REVENUE

(excluding the grant-in-aid for the Trans-Jordan Frontier Force).

	1928–29 (*Actual*).	1929–30 (*Actual*).	1930–31 (*Approx. Actual*).	1931–32 (*Estimated*).
	£P.	£P.	£P.	£P.
I. *Customs and Excise.*				
From Syria (under agreement)	13,694	10,637	8,494	10,000
From Palestine (under agreement)	29,824	24,859	23,461	25,500
Local Customs ..	33,180	22,946	23,533	22,600
Liquors (Excise) ..	839	1,181	864	1,000
Tobacco (Excise) ..	3,650	3,755	7,907	9,100
Miscellaneous	1,203	790	488	3,800
Total	82,390	64,168	64,747	72,000
II. *Licences and Taxes.*				
Vehicles	1,752	2,970	2,687	2,500
Animal Tax	35,509	35,434	39,978	36,000
House and Land Tax ..	17,383	19,212	20,006	21,000
Temettu	4,319	2,466	4,009	4,000
Road Tax	6,903	6,952	7,151	7,100
Tithe	39,015	48,527	43,918	55,000
Miscellaneous	13,702	14,026	14,191	14,700
Total	118,583	129,587	131,940	140,300
III. *Fees of Court and Office.*				
Civil Courts	4,197	5,417	6,271	5,850
Sharia Courts	1,760	1,724	1,714	1,850
Land Registry	4,143	3,035	3,159	3,100
Miscellaneous	14,003	13,820	14,601	16,550
Total	24,103	23,996	25,745	27,350
IV. *Posts and Telegraphs* ..	9,264	13,015	18,400	16,200
V. *Revenue from Government Property*	3,548	4,720	3,270	5,500
VI. *Interest*	769	1,011	967	890
VII. *Miscellaneous*	815	1,925	1,051	810
VIII. *Sale of State Domains* ..	440	750	1,417	800
Total Revenue (excluding grants-in-aid)	239,912	239,172	247,537	263,850
Grant-in-aid of Civil Administration ..	40,000	40,000	84,000	92,500
Total .. £P.	279,912	279,172	331,537	356,350

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Mr. Baxter
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Printed for the use of the Colonial Office.

Middle East
No. 44.

Papers

RELATING TO THE

Claim of the Ottoman Tobacco Régie.

[1931—1932]

[*In continuation of Middle East No.* 20.]

Printed for the use of the Colonial Office.

Middle East
No. 44.

Papers

RELATING TO THE

Claim of the Ottoman Tobacco Régie.

[1931—1932]

[*In continuation of Middle East No.* 20.]

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Serial No.: From or to Whom: Despatch No., etc., and Date.	Subject and Page No.
1931.	
1 High Commissioner, 'Iraq, Secret A ... ... May 22 (Recd. May 28)	Has been informed by the 'Iraqi Government that, under the conditions stated, they are prepared to refund to His Majesty's Government any expenditure incurred on their behalf in connexion with the arbitration proceedings; comments also on the question of the division of liability between them and His Majesty's Government 1
2 Foreign Office ... ... July 22	Transmits copy of a note from the French Ambassador. Considers that a more satisfactory position would be created if there were any possibility of moving the 'Iraqi Government from their present standpoint, but is prepared, if it is considered that there is no possibility of this, to reply as indicated 2
3 Foreign Office ... October 19	Agreed record of a meeting to discuss the question of the proposed arbitration arising out of the suppression of the monopoly of the Ottoman Tobacco Régie in 'Iraq, Palestine and Trans-Jordan 4
4 Foreign Office ... November 4	Transmits, for concurrence, draft of a note to the French Ambassador regarding the proposed arbitration ... 7
5 To the High Commissioner, 'Iraq, Secret ... November 20	Transmits copy of enclosures to Nos. 2 and 4 and requests a telegraphic reply 8
6 Mr. W. R. L. Trickett (Treasury), to Mr. G. W. Rendel (Foreign Office) November 6 (Recd. in Colonial Office, November 24)	Transmits copy of the Treasury Solicitor's advice, which states that in the circumstances of the case His Majesty's Government would be bound in an arbitration with the French Government to accept full responsibility to them for any adverse award so far as Palestine and Trans-Jordan are concerned, and, whilst the status of 'Iraq remains as it is, so far as it is concerned also, but that if and when 'Iraq is admitted to the League, we would cease to be responsible for the 'Iraqi portion of the award 9
7 Mr. G. W. Rendel (Foreign Office) to Mr. W. R. L. Trickett (Treasury) November 20 (Recd. November 24)	States, in reply to No. 6, that it would be tactically most inadvisable to say anything to the French Ambassador at this stage about the termination of our liability on 'Iraq's admission to the League, but that point will not be overlooked 11
8 Mr. W. R. L. Trickett (Treasury) to Mr. O. G. R. Williams (Colonial Office) November 26	Confirms conversation of 26th November, that it is agreed that His Majesty's Government is entitled to reimbursement in respect of any adverse awards made against the Governments of Palestine, 'Iraq and Trans-Jordan 12
9 Treasury to Foreign Office, December 3 (Copy received in Colonial Office, December 3)	Suggests amendments to the enclosure in No. 4 ... 12
10 Foreign Office ... December 9	Suggests that if the amendments proposed in No. 9 are concurred in the High Commissioner for 'Iraq should be immediately informed of the modifications now proposed 14
11 To the High Commissioner, 'Iraq, Telegram No. 304 December 15	Transmits amendments to the draft note for communication to the 'Iraqi Government 14
12 Mr. J. H. Hall (Colonial Office), to Mr. G. W.. Rendel (Foreign Office) December 29	Forwards copy of No. 11, and comments on the liability of 'Iraq 15
13 Mr. J. H. Hall (Colonial Office), to Sir F. Humphrys (High Commissioner for 'Iraq) ... December 29	Transmits copies of Nos. 6, 7 and 12 15

Serial No.: From or to Whom: Despatch No., etc., and Date.	Subject and Page No.
1931.	
14 Mr. O. G. R. Williams (Colonial Office), to Mr. W. R. L. Trickett (Treasury) ... ... December 29	States, in reply to No. 8, it is agreed that the position of Palestine and Trans-Jordan is as stated. Forwards copy of No. 12 and enclosure which deals with 'Iraq 16
15 The Acting High Commissioner, 'Iraq, Telegram No. 44 ... ... January 29 (Recd. January 29)	States, in reply to No. 11, that 'Iraqi Government concur in terms of the draft note as amended 16
16 To Foreign Office ... February 3	Transmits copy of No. 15 16
17 Foreign Office to the French Embassy ... ... February 8 (Copy received in Colonial Office, February 10)	Note sent in reply to enclosure in No. 65 in Middle East No. 20 17
18 The Acting High Commissioner, 'Iraq, Secret, January 30 (Recd. February 15)	States that the 'Iraqi Government consider that, in the event of an adverse award in respect of the second arbitration, the expenses of that arbitration will be divided between His Majesty's Government and the 'Iraqi Government. Requests confirmation of assumption that question of apportionment of expenses will be a matter for the Arbitrator 18
19 To Treasury ... February 26	Transmits copy of No. 18, and states that, subject to concurrence, proposes to inform High Commissioner that his assumption is correct 18
20 Treasury ... ... March 4	In reply to No. 19, agrees to the 'Iraqi Government being informed as indicated by High Commissioner. States High Commissioner should intimate to the 'Iraqi Government that it will be assumed that in other respects each Government will bear its own costs 19
21 To High Commissioner, 'Iraq, Secret ... March 31	Replies to No. 18 and gives substance of No. 20 ... 19
22 High Commissioner, 'Iraq, Secret ... ... May 5 (Recd. May 16)	States 'Iraqi Government agree to proposals set out in No. 21 20

PAPERS

[1931—1932]

RELATING TO THE

Claim of the Ottoman Tobacco Régie.

C. 89001/31 [No. 5].

No. 1.

'IRAQ.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 28th May, 1931.)

[*Answered by No.* 5.]

(Secret A.) The Residency, Baghdad, 22nd May, 1931.

MY LORD,

I HAVE the honour to refer to Your Lordship's despatch Secret dated the 15th of November, 1930,* regarding the proposed arbitration in the matter of the claim of the Ottoman Tobacco Régie against 'Iraq, Palestine, and Trans-Jordan.

2. I have now been informed by the 'Iraqi Government that they are prepared to refund to His Majesty's Government any expenditure incurred on their behalf in connexion with the arbitration proceedings. The 'Iraqi Government stipulate, however, that :—

(*a*) the expenses of arbitration should be divided among the Governments of Palestine, Trans-Jordan, and 'Iraq; and

(*b*) His Majesty's Government will share such expenses with 'Iraq if it is finally established that His Majesty's Government are liable for any portion of the damages that may be awarded against the 'Iraqi Government; such share to follow the division of the damages between the two Governments.

3. The 'Iraqi Government request that they may be consulted on the proposed line of defence in the arbitration proceedings, and in doing so, they desire to draw attention to the fact that the case of 'Iraq differs in some respects from the case of Palestine and Trans-Jordan. They assume that the defence of the case will be without prejudice to the question between themselves and His Majesty's Government as to the division of any liability.

4. Although the 'Iraqi Government have already agreed to submit to arbitration the question of liability between them and His Majesty's Government, they doubt whether an arbitrator who was suitable for dealing with the main claim, would also necessarily be suitable for dealing with the subsidiary question of the division of the liability between the two Governments. The 'Iraqi Government, therefore, suggest that this point should be reserved for later consideration.

I have, &c.,
F. H. HUMPHRYS,
High Commissioner for 'Iraq.

* No. 66 in Middle East No. 40.

C. 8900l/31 [No. 6].

No. 2.

FOREIGN OFFICE to COLONIAL OFFICE.

Foreign Office, S.W.1, 22nd July, 1931.

SIR,

WITH reference to Foreign Office letter of the 14th November last,* relative to the claim of the Ottoman Tobacco Régie in respect of the termination of their former monopoly in 'Iraq, Palestine, and Trans-Jordan, I am directed by Mr. Secretary Henderson to transmit to you the accompanying copy of a note from the French Ambassador on the subject.

2. In leaving this note at the Foreign Office, Monsieur de Fleuriau observed that, as regards the validity of the concession, it was difficult to understand the point of view according to which the validity was in dispute, seeing that the Régie had functioned for ten years without its being questioned. He added that at times there was considerable criticism, especially in this country, of the attitude of French financiers who were alleged to be not as accommodating as might be wished in taking up loans and similar enterprises abroad. Formerly, the Ottoman Tobacco Régie had been looked upon in France as a very sound investment. A case, however, like the present one could but create an unfortunate impression among French financiers, and it would not be surprising if, owing to such an impression, they might be less willing to oblige some foreign states in future if at any time these desired to seek help from French financiers. Monsieur de Fleuriau's own information was that the 'Iraqi Government were very difficult at present and were showing an unaccommodating disposition in this matter in spite of pressure from His Majesty's Government.

3. As Lord Passfield is aware, Mr. Henderson considers that the contention of the French Government that there can be no question as to the validity of the Turkish Régie's concession is thoroughly well founded. The point is not one indeed which he would ordinarily feel justified in submitting to arbitration, and, were it not for the attitude of the 'Iraqi Government, he would desire to accede to the French request that this point be dropped. Mr. Henderson therefore considers that a far more satisfactory position would be created if there were any possibility of moving the 'Iraqi Government from their present standpoint.

4. If, however, it is considered that no such possibility exists, Mr. Henderson is prepared to reply to the French Ambassador's note to the effect that His Majesty's Government appreciate the willingness of the French Government to enter into negotiation for the arrangement of procedure with a view to the arbitration of the claim of the Ottoman Tobacco Régie; that at the same time, it is the opinion of His Majesty's Government that, before any question of the amount of the claim or of the incidence of any such amount between the governments concerned, can be decided by arbitration, it will be necessary for the arbitral tribunal to come to an independent conclusion on the basic question of the validity of the concession itself, regarding which, notwithstanding the statement in paragraph 3 of the French Ambassador's note, there has not yet been any definite agreement between the French Government and His Majesty's Government; that in these circumstances, and in view of the complexity of the whole question, His Majesty's Government can only maintain their view that the question should be referred to arbitration as a whole, and they do not therefore propose to answer in detail the arguments put forward in the French note.

5. I am to request that Mr. Henderson may be favoured at an early date with the views of Lord Passfield on the subject of the reply to be returned to the French Ambassador.

6. A similar letter is being addressed to the Treasury.

I am, &c.,
G. W. RENDEL.

Enclosure in No. 2.

PAR Sa lettre du 12 novembre 1930, le Secrétaire d'Etat pour les Affaires Etrangères a bien voulu faire connaitre à l'Ambassadeur de France qu'à la suite de l'éche des négociations entre les représentants de la Régie des Tabacs de Turquie et le Solicitor de la Trésorerie, au sujet de la suppression du monopole de la Régie en Palestine, en Transjordanie et en Irak, le Gouvernement britannique estimait que la

* No. 65 in Middle East No. 20.

seule solution de cette affaire consisterait en un recours à l'arbitrage, le Tribunal arbitral devant être appelé à statuer sur la validité de la concession et, au cas où il admettrait cette validité, à fixer l'indemnité à accorder à la Régie.

2 Le Gouvernement de la République apprécie hautement le désir du Gouvernement britannique d'arriver par cette voie au réglement rapide de l'affaire dont il s'agit, et il est prêt à négocier en vue de la fixation de la procédure d'arbitrage.

3. Il croit toutefois devoir ajouter qu'à son avis, le Tribunal Arbitral ne devrait pas être appelé à statuer sur la validité de la concession, cette question n'existant vraiment pas plus pour le Gouvernement britannique que pour le Gouvernement Français. En effet, et sans qu'il soit besoin de rappeler les considérations qui conduisent à admettre qu'au point de vue du droit turc, la concession du 4 août 1913 est parfaitement valable, il y a lieu d'observer que cette validité a été reconnue d'une manière définitive par le Gouvernement britannique.

4. A cet égard, il convient de rappeler que, lors des négociations qui ont précédé le Traité de Lausanne, les Puissances alliées ont été unanimes à demander au Gouvernement turc la reconnaissance du principe ci-après :—

" Sont confirmés, même si la Turquie n'a pas rempli toutes les conditions nécessaires à leur confirmation définitive, toutes conventions ou contrats de concession ainsi que les accords et décisions y relatifs conclus entre la Turquie et les ressortissants alliés avant le 29 octobre 1914, s'ils ont reçu un commencement d'exécution (Article 90 du projet de traité présenté à la Délégation turque le 29 janvier 1923)."

5. L'Article 96 de ce projet déclarait cette disposition applicable aux Sociétés Ottomanes dans lesquelles les ressortissants alliés avaient des intérêts prépondérants.

6. Et d'après l'Article 92 de même projet, l'Etat successeur était subrogé dans les droits et charges de la Turquie vis-à-vis des concessionnaires visés à l'Article 90.

7. Mais dans l'intervalle qui sépara les deux Conférences de Lausanne, le Gouvernement turc déclara aux Alliés qu'il était inutile de poursuivre des discussions de principe qui affectaient les droits de souveraineté de la Turquie, alors que celle-ci n'avait nullement l'intention de contester des droits des Sociétés Ottomanes concessionnaires, qu'elle entendait les respecter et qu'elle était disposée à s'entendre directement à ce sujet avec elles. C'est dans ces conditions que les Gouvernements alliés engagèrent les Sociétés à s'adresser directement au Gouvernement turc et c'est ainsi que la Régie, à l'exemple d'autres Sociétés, put régler ses intérêts avec le Gouvernement turc sans que la validité de sa concession fût contestée.

8. Les difficultés existant avec le Gouvernement turc étant ainsi pratiquement réglées, les Alliés se sont contentés du Protocole 12, relatif aux concessions, annexé au Traité de Lausanne, en faisant insérer dans ce Protocole que les contrats de concessions existants étaient maintenus, sans distinguer s'ils étaient basés sur un loi définitive ou provisoire. Cette disposition a été étendue aux territoires détachés de la Turquie par l'Article IX du Protocole.

9. La portée de ces dispositions est confirmée par l'Article 2 du Protocole qui vise les contrats de concession passés avec la Société Armstrong pour les constructions navales et la Régie générale des chemins de fer pour la construction et l'exploitation de chemins de fer. Ces contrats n'avient pas encore reçu les approbations définitives et comme le Gouvernement turc, considérant ces contrats comme touchant à des questions vitales pour lui, voulait se réserver le droit de les modifier, ce droit ne lui a été consenti que sous certaines conditions.

10. Tout celà montre clairement que les Puissances alliées ont toujours considéré les contrats de concession, dont les Sociétés Ottomanes sont bénéficiaires, comme devant être maintenus et respectés. Si elles ont renoncé à insérer à ce sujet une clause expresse dans le Traité, c'est parceque le Gouvernement turc leur a donné indirectement satisfaction en s'entendant avec les Sociétés concessionnaires.

11. Dans ces conditions, le Gouvernement français espère que le Gouvernement britannique voudra bien reconnaître que les Puissances alliées ne sauraient remettre en question la validité de la concession accordée à la Régie des Tabacs turcs le 4 août 1930 et, qu'en conséquence, il n'y a pas lieu de demander au Tribunal arbitral de se prononcer sur cette validité.

Ambassade de France en Angleterre.
Londres, le 17 juin 1931.

C. 89001/31 [No. 17A].

No. 3.

AGREED RECORD OF MEETING HELD AT THE FOREIGN OFFICE ON 19TH OCTOBER, 1931, TO DISCUSS THE QUESTION OF THE PROPOSED ARBITRATION ARISING OUT OF THE SUPPRESSION OF THE MONOPOLY OF THE OTTOMAN TOBACCO REGIE IN 'IRAQ, PALESTINE, AND TRANS-JORDAN.

Present:

SIR W. MALKIN (in the Chair).
SIR F. HUMPHREYS.
MR. FLOOD, MR. BLAXTER, MR. JAMES — Colonial Office.
MR. STUART KING, MR. MCCOMBE — Treasury Solicitor's Department.
MR. TRICKETT — Treasury.
MR. RENDEL, MR. BECKETT, MR. HELM — Foreign Office.

AT the request of Sir W. Malkin, MR. RENDEL briefly recapitulated the history of the question up to the receipt of the French Ambassador's note of 17th June, 1931.* It was important that the reply to this note should if possible not be further delayed.

SIR W. MALKIN said the first question to decide was whether it was worth while to continue to contest the validity of the concession as renewed in 1913. He thought that the attitude taken up by the 'Iraqi Government made it necessary to do so.

MR. STUART KING objected to abandoning any possible line of defence at this stage, at any rate until the French had formulated their claim. Some arguments against the obligation to maintain the concession could be put forward even if they were not very strong, and it would be difficult to frame any admission on this point without prejudicing the case on the amount of damages.

MR RENDEL inquired whether the opinion given by the Law Officers† some years ago, as supplemented by the advice of Count Ostrorog,‡ did not make it difficult to continue to contest the validity of the Régie's claim.

MR STUART KING said that, since the submission of the question to the Law Officers, more facts had become available which would be of value in contesting validity before an arbitrator.

It was further pointed out that the question of validity could not be abandoned, as, if that were done, the 'Iraqi Government would accuse His Majesty's Government of surrendering their case in advance.

MR. BECKETT considered it preferable to state clearly to the French what we were prepared to offer as regards the proposed arbitration since they were the party desiring redress and would be obliged to accept arbitration on the question of the validity of the concession if His Majesty's Government insisted upon it.

MR. RENDEL explained that the matter had been somewhat further complicated by the suggestion made by the 'Iraqi Government in May for separating the proposed arbitration on the general question of the validity of the Régie claim from that of the allocation between His Majesty's Government and the 'Iraqi Government of liability for any compensation involved in respect of the suppression of the monopoly in 'Iraq. His original view had been that the 'Iraqis might be endeavouring to shelve the second arbitration which might leave the question of liability in the air and that the two arbitrations should therefore be combined. He was now inclined to modify this view, but considered that the same arbitrator might advantageously be entrusted with both arbitrations.

MR. STUART KING pointed out that the Anglo-'Iraq dispute had little relation to the general dispute between the Régie and the Succession States. He considered that complications would result from any endeavour to run the two arbitrations concurrently.

SIR W. MALKIN, having summarized the position, said that the two arbitrations might be done by the same arbitrator, the second arbitration following as soon as possible after the first.

MR. FLOOD said that this was the view of the 'Iraqi Government. They had, however, expressed doubt whether the same arbitrator would be suitable for dealing with both arbitrations.

* Enclosure in No. 2.

† No. 53A in L.O.O. Series, Volume VIII.

‡ No. 13 in Middle East No. 20.

MR. RENDEL feared that there was danger of a hiatus between the two arbitrations. His Majesty's Government would presumably have to pay any damages awarded as soon as the first arbitration was concluded, and there might be a long delay in recovering any part of these damages subsequently shown to be due from 'Iraq.

MR. TRICKETT said that there should be a clear assurance that 'Iraq would be bound by the results of the first arbitration, as regards both the issue of liability and also the quantum of damages and their distribution between the three territories affected. There should, moreover, be no question of any part of 'Iraq's liability, particularly the post-1921 liability, falling even temporarily on the British taxpayer. We ought not to be subjected to the trouble or risk of securing reimbursement from 'Iraq.

MR. RENDEL replied that steps must be taken to guard against any interval. Could not the 'Iraqi Government be induced to agree to the two arbitrations proceeding together?

MR. BECKETT thought the difficulty might be overcome if in the note to the French Ambassador it were stated that, in the event of an arbitral award favourable to the Régie, the damages awarded should be paid within 1 year or 18 months after the date of the award. The note could explain to the French that any damages awarded to the Régie would have to be allocated between the three mandated territories and that further there was a question at issue between His Majesty's Government and 'Iraq as to their respective liabilities in respect of events in 'Iraq in the earlier period which would have to be the subject of negotiation. If this were done the issue as between His Majesty's Government and 'Iraq could be decided during this interval and payment could be made on the due date by the unsuccessful party.

SIR F. HUMPHRYS said the 'Iraqi Government would accept liability for any damages awarded in respect of the period after 1st April, 1921. In respect of the earlier period they accepted no liability but had undertaken to accept arbitration. Also they were frightened about the currency issue and contended that any damages which might lie should be payable in paper and not in gold Turkish piastres. The currency question would, however, be one for the arbitrator.

In reply to Sir W. Malkin, MR. FLOOD stated that Palestine and Trans-Jordan would accept the award resulting from the first arbitration proceedings.

MR. TRICKETT thought that the first arbitration should not involve any direct liability for His Majesty's Government. The latter was in the position of a trustee and, in the absence of legal advice to the contrary, he thought that His Majesty's Government should only be liable to the extent of assets of the mandated territories in their hands.

SIR W. MALKIN thought that, since the arbitration was to be one between the French Government and His Majesty's Government acting on behalf of 'Iraq, Palestine, and Trans-Jordan, the French would expect His Majesty's Government to accept responsibility for the award.

MR TRICKETT said that he felt some difficulty in accepting that view at the moment. He appreciated that once we had entered on the arbitration directly with the French Government, they would expect to be paid directly by us. But he felt unable to accept absolute liability without specific legal advice. He referred to the attitude to which we had held in repudiating United Kingdom responsibility for that part of the Ottoman debt attributable to Trans-Jordan.

SIR F. HUMPHRYS was of opinion that there would be no difficulty about 'Iraq paying. The matter had formed the subject of an exchange of notes between the 'Iraq Prime Minister and himself, and the 'Iraqi Government had not previously defaulted.

MR. TRICKETT having maintained his standpoint, MR. BECKETT pointed out that British officials, civil or military, had in fact been responsible for the suppression of the Régie monopoly in all three countries and that His Majesty's Government could not evade some responsibility internationally.

MR. RENDEL thought it would be difficult to tell the French that His Majesty's Government would not be responsible for paying any damages awarded against them. But he inquired whether the French might not be informed of the Anglo-'Iraqi agreement to arbitrate in respect of the period before 1st April, 1921, and be told that the 'Iraqis would be definitely responsible for their own share.

MR. TRICKETT thought the 'Iraqi Government should realize that they were forcing His Majesty's Government to arbitration on a question which, but for them, His Majesty's Government might have settled out of court. In that event arbitration costs at any rate would have been avoided and possibly a heavier award of damages as the result of unsuccessful litigation.

SIR W. MALKIN said it was impossible for His Majesty's Government to take up the attitude that they did not stand between the mandated territories and foreign countries.

MR. BECKETT then raised the question of pleadings before the arbitrator, and suggested that there should only be written pleadings. He pointed out that this would not only be more economical but would meet the 'Iraqi Government's expressed desire to be consulted regarding the proposed line of defence.

MR. TRICKETT replied that on this point he would be guided by the views of the Treasury Solicitor and Mr. Beckett. He urged, however, that if the 'Iraqis wished to run a pet defence of their own or to adopt special procedure, they must be made to pay for it. It was considered that the expenses of the arbitration, which in the absence of oral pleadings would consist chiefly of half the arbitrator's fee and the cost of printing, should be divided in the same proportion as any damages awarded.

SIR F. HUMPHRYS thought the 'Iraqis would be prepared to leave the question of written and/or oral pleadings to the discretion of His Majesty's Government.

MR. RENDEL pointed out that to suggest written pleadings to the 'Iraqis on the ground of economy might cause them to imagine that His Majesty's Government were concerned more with cutting down expenses than with making out the best possible case. It was eventually decided that written pleadings only should be suggested on the sole ground that this method would permit all details of the defence being approved in advance by the 'Iraqi Government.

MR. RENDEL thereupon suggested that the next step was to consult the 'Iraqis regarding the line which it was proposed to take with the French and to suggest to them written pleadings and one arbitrator for both arbitrations.

MR. TRICKETT having reverted to the question of financial responsibility, MR. FLOOD stated that, when in the course of the recent abortive negotiations with the Régie's solicitors an offer of £200,000 had been considered, the idea had been that the proportional payments would be: 'Iraq £142,000, Palestine £52,000, and Trans-Jordan £6,000. The Régie's solicitors had claimed £342,000. At the most, therefore, the amount payable in respect of Trans-Jordan would probably not exceed £10,000.

MR. RENDEL and MR. TRICKETT inquired whether, if His Majesty's Government admitted liability in respect of such a payment on behalf of Trans-Jordan, it would be consistent with their refusal to make any payment in respect of Trans-Jordan's share of the Ottoman Public Debt. MR. BECKETT considered that the two cases were not parallel

MR. TRICKETT took it that the Colonial Office would see that any damages awarded against Palestine were included in the Palestine budget. Palestine might, however, cease to be self-supporting, and, though any payment in respect of Trans-Jordan might be small and unavoidable, he wished to ensure that His Majesty's Treasury were not committed, by the sacrifice of any principle, to meet future debts of mandated territories. He had also the strongest objection to advancing money on behalf of 'Iraq and he desired a definite assurance from Sir F. Humphrys that the 'Iraqis would pay.

SIR W. MALKIN, having stated that he saw no alternative, in the absence of a suggestion from Mr. Trickett, to the first arbitration taking place between France and His Majesty's Government acting on behalf of 'Iraq, Palestine, and Trans-Jordan, resumed the conclusions of the meeting as follows:—

(*a*) that the validity of the Régie's renewed concession must be fought;
(*b*) that the 'Iraqis must concur in any action taken;
(*c*) that a draft reply to the French Ambassador should be prepared in the Foreign Office and that this draft should be sent to Bagdad for the concurrence of the 'Iraqi Government.

It was decided that, if the 'Iraqi Government should fear that the proposal that the arbitration should be described as one between the French Government on the one hand and His Majesty's Government, acting on behalf of 'Iraq, Palestine, and Trans-Jordan, being the parties to the first arbitration, should prejudice the second arbitration, they could be assured that no such prejudice would be caused.

Finally MR. RENDEL inquired as to the manner in which the 'Iraqis would be consulted about the memorials. It would be impracticable to send everything to Baghdad for concurrence.

MR. BECKETT thought that the 'Iraqis might be asked to prepare the first memorial but withdrew his proposal, since it was considered that there would be plenty of time in which to prepare the memorials.

MR. RENDEL having stressed the political objections to further avoidable delays in correspondence with the French Ambassador, the meeting decided that it was at present premature to discuss the manner of securing 'Iraqi co-operation in the preparation of the memorials.

C. 89001/31 [No. 18].

No. 4.

FOREIGN OFFICE to COLONIAL OFFICE.

[*Answered by No.* 16.]

SIR, Foreign Office, S.W.1, 4th November, 1931.

WITH reference to Foreign Office letter of the 30th October,* enclosing a copy of the agreed record† of the interdepartmental meeting held on 19th October, 1931, to discuss the proposed arbitration arising out of the suppression of the Ottoman Tobacco Régie's monopoly in 'Iraq, Palestine, and Trans-Jordan, I am directed by the Marquess of Reading to transmit to you, to be laid before Mr. Secretary Thomas, the accompanying draft of a note which he proposes, subject to the concurrence of the interested departments of His Majesty's Government and of the 'Iraqi Government, to address to the French Ambassador on the subject.

2. The Secretary of State will be glad to learn at an early date whether Mr. Secretary Thomas and the 'Iraqi Government concur in the terms of the draft note to Monsieur de Fleuriau. In view of the fact that a reply to His Excellency's note of 17th June, 1931,‡ is already overdue and in order to avoid further avoidable delay, I am to suggest that, if Mr. Thomas sees no objection, the Acting High Commissioner at Baghdad may be instructed to furnish him with the views of the 'Iraqi Government by telegram.

3. Similar letters are being sent to the Treasury and Treasury Solicitor.

I am, &c.,
G. W. RENDEL.

Enclosure in No. 4.

DRAFT NOTE.

Monsieur de Fleuriau,
French Ambassador.

YOUR EXCELLENCY, Foreign Office, S.W.1, November, 1931.

I HAVE the honour to inform Your Excellency that His Majesty's Government in the United Kingdom, in consultation with the competent authorities in 'Iraq, Palestine, and Trans-Jordan, have had under consideration the note which you were good enough to leave here on the 17th June, regarding the claim of the Régie Générale des Tabacs de Turqui in respect of the termination of their monopoly in 'Iraq, Palestine, and Trans-Jordan.

2. In that note Your Excellency stated that the question of the validity of the Régie's concession was hardly open to question between His Majesty's Government and the French Government, and set out certain considerations upon which this view was based. The French Government therefore considered that the arbitrator should merely be entrusted with the task of assessing the compensation due to the Régie, the validity of the concession being admitted in advance. I take leave, however, to draw Your Excellency's attention to the fact that, as pointed out in my predecessor's note of 12th November, 1930,§ neither His Majesty's Government in the United Kingdom nor the 'Iraqi Government have ever admitted, or now admit, the validity of this concession, and that they therefore cannot agree with the suggestion in your note under reply that the question of compensation only should be submitted to arbitration, on the supposition that the validity of the concession is not in dispute.

3. His Majesty's Government nevertheless desire to maintain their previous offer that the whole matter should be submitted to arbitration, *i.e.*, the question both of the validity of the concession, and, in the event of the concession being held valid, of the amount of compensation, if any, which should be payable. His Majesty's Government do not, however, consider it necessary or desirable that the arbitration should take place in two stages, and that the question of the validity of the concession should alone form the subject of a first and preliminary award. In their view the question of validity and that of any damages which may be due, could most suitably be dealt with in one single comprehensive award.

4. In these circumstances I do not propose to deal at this stage with the various arguments advanced in your note in support of the view that the concession was, in fact, valid at the time of its suppression, and that its validity has been admitted by His

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* C. 89001/31 [No. 17]: not printed. † No. 3. ‡ Enclosure in No. 2.
§ Enclosure in No. 65 in Middle East No. 20.

Majesty's Government, since, if their proposal is accepted that the matter should be dealt with by arbitration as a whole, these arguments will necessarily fall to be dealt with by the Arbitrator.

5. In the event of the French Government accepting the offer of His Majesty's Government to submit the whole question to arbitration I shall be prepared, as explained in my predecessor's note of 12th November, 1930, to discuss the details of the proposed arbitration with you, and more especially with regard to the drafting of the proposed *compromis*. Meanwhile it may be convenient to set forth to you without further delay the views of His Majesty's Government in regard to various points connected with the proposed arbitration on which it would be well to reach immediate agreement.

6. In the first place, His Majesty's Government are of the opinion that the parties to the proposed arbitration should be described in the *compromis* as the French Government on the one hand, and the Government of the United Kingdom of Great Britain and Northern Ireland, acting on behalf of the Governments of 'Iraq, Palestine, and Trans-Jordan on the other. They consider it desirable that the question should be referred for decision to a single Arbitrator, whose fees and expenses should be defrayed in equal shares by the two parties to the arbitration. They are willing immediately to consider, in concert with the French Government, the selection of an arbitrator. Further, in their view, the question at issue is one which, by its nature, can best be dealt with by written pleadings, and the presentation of oral arguments in the present case would only increase unnecessarily the expense of the proceedings and prolong their duration.

7. The French Government will no doubt appreciate the fact that, in the event of the validity of the concession being upheld by the arbitrator and of an award of damages being made, a subsidiary question will arise as to the proportions in which the total sum awarded should be allocated between the territories of 'Iraq, Palestine, and Trans-Jordan. Some time would be required for the purpose of deciding this allocation. Moreover, there are certain questions at issue between His Majesty's Government and the Government of 'Iraq as to the incidence of any possible liability between these two Governments, and these will themselves, in the event of any such liability being established, have to be settled by negotiation, and might even have to form the subject of a separate arbitration. For this reason, His Majesty's Government desire that it should be stated in the *compromis* that, in the event of any award of damages being made, such damages shall be payable on the expiration of a period of not less than eighteen months from the date of the award

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C. 89001/31 [No. 20].

No. 5.

'IRAQ.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Secret.)

SIR, Downing Street, 20th November, 1931.

WITH reference to your despatch Secret "A" of the 22nd of May,* regarding the proposed arbitration in the matter of the claim of the Ottoman Tobacco Régie against 'Iraq, Palestine, and Trans-Jordan, I have the honour to transmit to you a copy of a note† from the French Ambassador on this subject together with the draft of the reply‡ which it is proposed to return thereto.

2. I should be glad if you would ascertain, and report by telegram, whether the 'Iraq Government concur in the terms of the draft note to the French Government.

3. It will be observed that in the last part of paragraph 6 of the draft note, it is suggested that the question at issue can best be dealt with by written pleadings, and that the presentation of oral arguments would only increase unnecessarily the expense of the proceedings and prolong their duration. While it is no doubt the case that this procedure will considerably lessen the expenses of the arbitration, the real reason underlying this suggestion is that it will afford the 'Iraq Government, in accordance with their request reported in paragraph 3 of your despatch under reference, the opportunity of being consulted regarding the proposed line of defence, since they will thus be in a position to approve all details of the defence in advance. I shall be glad if this can be explained to the 'Iraq Government.

* No. 1. † Enclosure in No. 2. ‡ Enclosure in No. 4.

4. As regards paragraph 2 of your despatch of the 22nd of May, you may inform the 'Iraq Government that the expenses of the arbitration will be divided between the Governments of 'Iraq, Palestine, and Trans-Jordan in the same proportion as any damages that may be awarded, but that if, as a result of the proposed arbitration between His Majesty's Government and the 'Iraq Government, it is eventually established that His Majesty's Government are liable for any portion of the damages that may be awarded against the 'Iraq Government, the latter Government's share of the expenses of the first arbitration will be divided *pro rata* between the two Governments concerned. In the absence of oral pleadings the expenses of the arbitration should consist chiefly of half the arbitrator's fee and the cost of printing the written pleadings.

5. You will observe that in the first part of paragraph 6 of the draft note the view is expressed that the parties to the proposed arbitration should be described in the *compromis* as the French Government on the one hand and the Government of the United Kingdom of Great Britain and Northern Ireland, acting on behalf of the Governments of 'Iraq, Palestine, and Trans-Jordan, on the other. Should the 'Iraq Government express any apprehension that this description of the parties to the first arbitration might prejudice their case in the second arbitration you may assure them that no such prejudice will be caused.

I have, &c.,
P. CUNLIFFE-LISTER.

C. 89001/31 [No. 27A].

No. 6.

MR. W. R. L. TRICKETT (TREASURY)

to

MR. G. W. RENDEL (FOREIGN OFFICE).

(Copy received in Colonial Office, 24th November, 1931.)

[*Answered by No.* 7.]

Treasury Chambers, Whitehall, S.W.1,
6th November, 1931.

DEAR RENDEL,

Ottoman Tobacco Régie.

WITH reference to my letter of the 24th ultimo (second paragraph) we have now received the Treasury Solicitor's advice, which, in short, is to the effect that in the circumstances of the case His Majesty's Government would be bound in an arbitration with the French Government to accept full responsibility to them for any adverse award so far as Palestine and Trans-Jordan are concerned, and, whilst the status of 'Iraq remains as it is, so far as 'Iraq is concerned also, but that if and when 'Iraq is admitted to the League, we would cease to be responsible for the 'Iraqi portion of the award. That opinion, which we understand is also held by Malkin, we feel we must accept. I enclose for your information a copy of the Solicitor's advice.

We gather you will insert in the draft *compromis* a clause on the lines suggested by Beckett and yourself, stipulating that there be a reasonable interval between the date of the award and the date for its due execution.

There is a further safeguard which the Solicitor's opinion suggests we should have. In the event of our having to sign the *compromis* before 'Iraq is admitted to the League, we should require a proviso terminating our 'Iraqi responsibility on her admission.

Yours, &c.,
W. R. L. TRICKETT.

Enclosure in No. 6.

Treasury Solicitor.

Secretary,
The Treasury.

Claim of the Ottoman Tobacco Régie.

1. THE question has been raised whether, in the event of arbitration proceedings taking place between the French Government and His Majesty's Government respecting this claim, His Majesty's Government will be directly responsible to the

French Government for the payment of the full amount which may be awarded by way of compensation, or only to the extent to which the revenues of the territories directly affected are sufficient.

2. It is clear that in the absence of any special provision to the contrary in the submission, the mere act of agreeing to submit a dispute to the judgment of an international tribunal implies an obligation to comply with any award that may be made. The question therefore resolves itself into whether there are any grounds for suggesting that a special provision limiting the liability of His Majesty's Government in the manner desired ought to be inserted in the submission to arbitration.

3. The question must be examined from two aspects: first, the general proposition of the international responsibility of a State in respect of events occurring in countries for which it holds a mandate, and secondly, the special circumstances of the present claim.

4. A submission to arbitration implies, as has already been mentioned, an obligation on the part of the unsuccessful State to comply with the award. International law is not concerned with the question whether the unsuccessful State is a unitary one, or is a complex federation, or a State to which is attached a number of dependencies enjoying in greater or less degree self-government: it is the Central Government to which the successful party is entitled to look for satisfaction of the award; thus awards against the United States in respect of events occurring in one of the constituent States have been satisfied by the Federal Government and awards against Great Britain in respect of events occurring in a Crown colony by Great Britain. The question whether the Central Government has any right in recourse against the local Government is a purely domestic matter with which international law is in no way concerned. This principle is in fact founded upon the claim of the Central Government to control all the external affairs of the territories under its jurisdiction, and it follows as a necessary corollary to that claim that in the international field the Central Government is responsible *vis-à-vis* other Governments for the settlement of any claim by that other Government.

5. This principle extends also, I think, to the sphere of mandates. It is an essential element of the mandate system that the mandatory power is entrusted with the government of the mandated territory and for external purposes has to assume international responsibility for its government; it seems to me therefore that the mandatory power is internationally responsible for events occurring in mandated territory just as much as if they had occurred in a colony. In the only case in which I am aware in which claims arising out of events occurring in a mandated territory have come before the Permanent Court of International Justice (I refer to the case of Mavrommatis), it was never even suggested that His Majesty's Government were not, as a matter of international law, responsible to Greece for what had occurred in connexion with the concession in Palestine. I cannot, therefore, see any ground for suggesting that *vis-à-vis* the French Government His Majesty's Government can decline to accept full responsibility for any award that may be made against it in the present case so far as Palestine and Trans-Jordania are concerned. The position of 'Iraq is not, however, precisely similar. At the moment the relations between this Government and 'Iraq are governed by a treaty of alliance under which, *inter alia*, 'Iraq is obliged to act upon our advice in the conduct of her international affairs. This treaty has, however, been accepted by the League of Nations as fulfilling the purposes of a mandate, and it seems to me extremely difficult in these circumstances to argue that, as matters stand at the moment, the position of 'Iraq can legally be differentiated from that of Palestine and Trans-Jordania. If and when 'Iraq becomes a member of the League the position will be changed, as it will then become an independent State for whom we shall no longer be compelled to accept responsibility. If, therefore, this event should occur before the agreement with France is signed, the proposals which have hitherto been made as to the manner in which the parties to the agreement should be described will have to be changed. When 'Iraq is a member of the League she will, I think, have to appear as a separate party to the agreement, and in that event the agreement will of course be drafted in such a way as to make 'Iraq directly responsible for her share of any award; it seems to me however impossible, whilst 'Iraq's application for admission to the League is still pending, to advance to the French Government any argument based on the assumption that that application will be successful in order to persuade the French to accept 'Iraq as individually responsible for her share of any award. I gather, however, that it is quite possible that the agreement will not in fact be signed until 'Iraq's application has been dealt with, so that this point may be considered as open.

6. I do not think that the views expressed above really conflict with the decision respecting the partition of the Ottoman debt. The essence of that matter was that under the Treaty of Lausanne certain portions of the debt were charged on territories detached from Turkey, including of course Palestine and Trans-Jordan. The decision was to the effect that if Trans-Jordan could not out of her resources pay for the service of that portion of the debt which was charged by the treaty on Trans-Jordan, there was no resulting liability on His Majesty's Government. The real ground for this decision is, as it seems to me, that the portion of the debt charged on each detached territory was placed in the same position as if that territory had itself raised the loan. The position was thus similar to that of any colony or portion of territory which has independently raised a loan; it has never been suggested that in such circumstances the Central Government is directly responsible in the event of default by the territory raising the loan. Such responsibility as may exist on the part of the Central Government is to see that the territory in question is administered with due regard to its commitments.

7. In the special circumstances of the present case it seems to me that it would be even more difficult to argue that the French Government could reasonably be asked to accept the Governments of the three territories in question as the Governments to whom they must look for satisfaction of any award in their favour. The monopoly of the Régie was in fact terminated by direct action of His Majesty's Government itself and when the territories came into existence as separate entities they merely inherited this state of affairs, and consequently the suppression of the monopoly cannot be laid to their charge. Moreover, if the Treaty of Lausanne is held to apply strictly to the present claim, the proper course would have been to maintain this concession and, to the extent to which the failure to maintain it gives rise to an international claim, it seems to me impossible to avoid a conclusion that as a matter of international law the fault is that of His Majesty's Government under whose control the general administration of the territories in question was at the material time.

8. For these reasons I am of opinion that it would be impossible for His Majesty's Government to escape primary liability to the French Government for the amount of any award that may be made in favour of that Government. The question whether His Majesty's Government can subsequently recover from the three Governments concerned is a domestic matter with which the French Government is not concerned.

G. STUART KING
(for the Treasury Solicitor).

4th November, 1931

C. 89001/31 [No. 27B].

No. 7.

MR. G. W. RENDEL (FOREIGN OFFICE)

to

MR. W. R. L. TRICKETT (TREASURY).

(Copy received in the Colonial Office, 24th November, 1931.)

(Confidential.)

DEAR TRICKETT, Foreign Office, S.W.1, 20th November, 1931.

MANY thanks for your letter of 6th November,* enclosing a copy of the Treasury Solicitor's advice on the subject of the Ottoman Tobacco Régie.

As regards the point raised in paragraph 2 of your letter you will see that at the end of the draft note† to the French Ambassador, enclosed in our official letter of 4th November, mention is made of the desire of His Majesty's Government that it shall be stated in the *compromis* that in the event of any award of damages being made, such damages shall be payable on the expiration of a period of not less than eighteen months from the date of the award.

As regards the further point made in paragraph 3 of your letter, we think it would be tactically most inadvisable to say anything to the French Ambassador at this stage about the termination of our liability on 'Iraq's admission to the League. In fact we shall have to be very careful in choosing the time and method of broaching this. For if the French got it into their heads that the security for their claim might

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* No. 6. † Printed as enclosure in No. 4.

be diminished by 'Iraq's admission to the League, they would be quite capable of obstructing 'Iraq's admission at Geneva, with results which might prove much more expensive to the Treasury in the long run than any obligation which may arise under this claim as things are.

On the other hand, if the *compromis* is signed before 'Iraq's entry into the League, Beckett thinks it may be possible to meet your point, perhaps not in precisely the manner which you suggest, but by drafting in such a way as to achieve the desired result. The point will certainly not be overlooked and you will of course have opportunity to concur in the draft *compromis* before it is signed.

I am sending a copy of your letter of 6th November, and of this reply, to the Colonial Office.

Yours, &c.,
G. W. RENDEL.

C. 89001/31 [No. 28].

No 8.

MR. W. R. L. TRICKETT (TREASURY)

to

MR. O. G. R. WILLIAMS (COLONIAL OFFICE).

[*Answered by No.* 14.]

(S. 35919/6.)

Treasury Chambers, Whitehall, S.W.1,
26th November, 1931.

DEAR WILLIAMS,

WITH reference to Colonial Office letter of the 21st May, 1930,* and subsequent correspondence and discussions on the subject of the reference of this dispute to arbitration between the French Government and the British Government, I should like to confirm the upshot of our conversation this afternoon, viz., that it is agreed that His Majesty's Government as nominal defendant appearing on behalf of the three local Governments is entitled to reimbursement from them in respect of any adverse award which it may have to meet, *vis-à-vis* the French Government. I need not trouble you with regard to the case of 'Iraq; the position there has been clearly settled with Flood. But as regards Palestine and Trans-Jordan, I thought it better to mention the matter to you, to put the position beyond the possibility of doubt.

In referring to the liability of the three local Governments to reimburse us, I mean of course liable distributively—each being responsible for such damage as resulted from the suppression of the monopoly in her own territory.

I should add too that the fact that Palestine and Trans-Jordan are on the dole, is irrelevant to the point that the liability would be chargeable to their revenues.

Yours, &c.,
W. R. L. TRICKETT.

C. 89001/31 [No. 29].

No. 9.

TREASURY to FOREIGN OFFICE.

(Copy received in Colonial Office, 3rd December, 1931.)

[*Answered by Enclosure in No.* 10.]

(S. 35919/6.)

Treasury Chambers, 3rd December, 1931.

SIR,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Rendel's letter of the 4th ultimo transmitting a draft of a note† which it is proposed to address to the French Ambassador on the subject of the claim of the Ottoman Tobacco Régie in respect of the suppression of their monopoly in 'Iraq, Palestine, and Trans-Jordan. After consultation with Their Solicitor My Lords have directed me to request you to convey to the Secretary of State the following reply.

2. It appears to My Lords that the wording of the draft note lays undue emphasis on the question of the validity of the concession, and might give rise to the impression, in the mind of the French Government, that that would be the only legal

* No. 51 in Middle East No. 20.

† Printed as Enclosure in No. 4.

issue which would be raised, whereas Their Lordships understand that there are a number of other legal issues which it will be necessary for His Majesty's Government to plead. They consider too that it is undesirable to refer in detail to the possibility of the arbitration being taken in two stages. Such a course could not fail to be prejudicial to the case of His Majesty's Government, and unless the French Government question it, it would be better to assume that an offer to submit the whole matter to arbitration necessarily implies that every aspect of it will be dealt with at one and the same time.

3. My Lords suggest, therefore, that paragraph 3 of the draft note should be amended as follows:—

> 3. His Majesty's Government nevertheless desire to maintain their previous offer that the whole matter should be submitted to arbitration, that is to say, that both the legal issues involved, including the question of the validity of the concession, and the amount of compensation, if any, which should be paid should be submitted at the same time to the decision of the Arbitrator.

4. My Lords also suggest that the words " of the validity of the concession being upheld by the Arbitrator and " in paragraph 7 of the draft note should be deleted. This amendment is consequential on the amendment, proposed above, of the third paragraph; but in any case the words hardly appear to be necessary, as an award of damages could only be made if the issue of the validity of the concession and the other legal issues involved were decided in the French Government's favour.

5. With reference to the last sentence in paragraph 2 of the draft note it seems to My Lords that mention should be made of the other two Governments concerned, viz., the Palestine Government and the Trans-Jordan Government.

6. My Lords would prefer that the word " immediately " in the third sentence in paragraph 6 of the draft note be omitted.

7. It appears to My Lords that the position of paragraph 7 at the end of the note gives undue prominence to questions which would only arise if the decision of the Arbitrator prove adverse to His Majesty's Government, and is apt to convey the impression that His Majesty's Government consider it almost inevitable that such would be the result of the proposed arbitration. Whilst it is clearly necessary to refer to the questions discussed in paragraph 7, it would in Their Lordships' view be better and indeed more appropriate to end the note with a paragraph on the lines of the opening sentence of paragraph 5, viz., " In the event of the French Government . . . . . , &c., ... the proposed *compromis*." The remainder of paragraph 5, viz., " Meanwhile it may be convenient . . . . immediate agreement," might then be added to the end of paragraph 4.

8. My Lords are advised that as between His Majesty's Government and the French Government, His Majesty's Government would in the circumstances of the case be bound to accept full responsibility for any adverse award so far as Palestine and Trans-Jordan are concerned, and whilst the status of 'Iraq remains as it is, so far as 'Iraq is concerned also, but that if and when 'Iraq is admitted to the League of Nations, His Majesty's Government would no longer be liable to be named as a defendant on behalf of the 'Iraq Government, nor be answerable to the French Government for an award of damages in respect of the suppression of the claimant's monopoly in 'Iraqi territory. A copy of the Treasury Solicitor's opinion to this effect was transmitted semi-officially to your Department on the 6th ultimo.*

9. It follows from the Solicitor's opinion that in the event of the admission of 'Iraq to the League of Nations, an alteration would be necessary to the description of the parties to the proposed arbitration. My Lords assume that the Secretary of State is satisfied that the terms of the draft note would in no way prejudge that question, should it arise. On the other hand Their Lordships do not desire to propose an explicit reference to [? in] the note to the termination in the given event of the liability of His Majesty's Government, for They recognize that such a reference might suggest a ground of objection to 'Iraq's admission to the League.

I am, &c.,
R. V. NIND HOPKINS.

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* No. 6.

C. 89001/31 [No. 31].

No. 10.

FOREIGN OFFICE to COLONIAL OFFICE.

[*Answered by No.* 12.]

SIR, Foreign Office, S.W.1, 9th December, 1931.

WITH reference to Treasury letter No. S. 35919/6 of the 3rd December* to this Department, of which a copy is understood to have been sent to you direct, regarding the Ottoman Tobacco Régie's claim in respect of the suppression of their monopoly in 'Iraq, Palestine, and Trans-Jordan, I am directed by Secretary Sir John Simon to transmit to you the accompanying copy of the reply which he has caused to be sent to the Treasury.

2. I am to suggest that, if Secretary Sir P. Cunliffe-Lister also concurs in the amendments proposed by Their Lordships in the draft note to Monsieur de Fleuriau, the High Commissioner at Baghdad should be immediately informed of the modifications now proposed.

3. A copy of this letter is being sent to the Treasury.

I am, &c.,
G. W. RENDEL.

Enclosure in No. 10.

SIR, Foreign Office, S.W.1, 9th December, 1931.

I AM directed by Secretary Sir John Simon to acknowledge the receipt of your letter of the 3rd December in regard to the draft note to the French Ambassador on the subject of the claim of the Ottoman Tobacco Régie in respect of the suppression of their monopoly in 'Iraq, Palestine, and Trans-Jordan.

2 In reply, I am to request you to inform the Lords Commissioners of His Majesty's Treasury, that Sir John Simon accepts the modifications which Their Lordships propose in the draft note to Monsieur de Fleuriau.

3. A copy of this letter is being sent to the Colonial Office under cover of the letter of which a copy is enclosed herein.

I am, &c.,
G. W. RENDEL.

The Secretary to the Treasury.

C. 89001/31 [No. 32].

No. 11.

'IRAQ.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 8 p.m., 15th December, 1931.)

TELEGRAM.

[*Answered by No.* 15.]

(Paraphrase.)

No. 304. REFERENCE my Secret despatch dated 20th November† on the subject of Ottoman Tobacco Régie. You should communicate to the 'Iraq Government the following amendments to draft note which Treasury have suggested and in which Foreign Office and Colonial Office have concurred.

(1) In last sentence of second paragraph Governments of Palestine and Trans-Jordan should also be mentioned.

(2) For third paragraph substitute:—

"His Majesty's Government nevertheless desire to maintain their previous offer that the whole matter should be submitted to arbitration, that is to say, that both the legal issues involved, including the question of the validity of the concession, and the amount of compensation, if any, which should be paid should be submitted at the same time to the decision of the Arbitrator."

* No. 9. † No. 5.

(3) Omit word "immediately" in third sentence of sixth paragraph.

(4) In first sentence of seventh paragraph omit words from "of the" to "arbitrator and" inclusive.

(5) Delete fifth paragraph from its present position, adding last sentence to fourth paragraph and inserting first sentence as a fresh paragraph at end of note. This appears to form better conclusion.—CUNLIFFE-LISTER.

C. 89001/31 [No. 36].

No. 12.

MR. J. H. HALL (COLONIAL OFFICE)

to

MR. G. W. RENDEL (FOREIGN OFFICE).

DEAR RENDEL, Downing Street, 29th December, 1931.

WITH reference to Foreign Office official letter of the 9th of December* about the Ottoman Tobacco Régie, I enclose a copy of a telegram† which we have sent to the High Commissioner for 'Iraq asking him to communicate to the 'Iraqi Government the amendments suggested in paragraphs 3 to 7 of Treasury letter No. S. 35919/6 of the 3rd of December‡ to the Foreign Office in which we concur. We have also sent a copy of the Treasury letter and of your letter to us referred to above to the High Commissioner so that he and the 'Iraqi Government may know why the amendments were suggested.

Under cover of your official letter of the 21st of November,§ you sent us a copy of semi-official correspondence‖ with the Treasury dealing with the position of His Majesty's Government *vis-à-vis* Palestine, Trans-Jordan, and 'Iraq. We entirely agree with the views expressed in the third paragraph of your letter to Trickett of the 20th of November¶ as regard the 'Iraq side of the question.

In this connexion there is one aspect of the matter to which due consideration will have to be given before any action is taken and which you, no doubt, had in mind when writing your letter of the 20th of November to Trickett. I refer to the second paragraph of Article 8 of the Anglo-'Iraq Treaty of 1930 which will release us from any responsibility in respect of 'Iraq arising out of the *compromis*. Moreover, Article 1 of the proposed Declaration of Supplementary Guarantees to be made by the 'Iraqi Government on release from mandatory control should provide an additional safeguard. As you know, in its present form this Article reads as follows:—

"The 'Iraqi Government will recognize and honour any financial obligations regularly assumed an behalf of 'Iraq by His Majesty's Government in the United Kingdom and any rights of whatever kind legally acquired in 'Iraq during the currency of the mandatory regime."

Yours, &c.,
J. H. HALL.

C. 89001/31 [No. 38].

No. 13.

MR. J. H. HALL (COLONIAL OFFICE)

to

SIR F. HUMPHRYS (HIGH COMMISSIONER FOR 'IRAQ)

DEAR SIR FRANCIS, Downing Street, 29th December, 1931

UNDER cover of our Secret despatch of the 17th of December** we sent you a copy of a letter‡ from the Treasury to the Foreign Office containing certain suggested amendments to the draft note to the French Government about the claim of the Ottoman Tobacco Régie.

In the last two paragraphs of that letter the Treasury discuss His Majesty's Government's position *vis-à-vis* 'Iraq after the latter's admission to the League, and I send you herewith a copy of semi-official correspondence†† on this subject which shows what is in the air. I might add that there is no intention of making any amendment to the draft note in this respect.

Yours, &c.,
J. H. HALL.

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* No. 10. † No. 11. ‡ No. 9. § C. 89001/31 [No. 27]: not printed. ‖ Nos. 6 and 7.
¶ No. 6. ** C. 89001/31 [No. 35]: not printed. †† Nos. 6, 7 and 12.

C. 89001/31 [No. 37].

No. 14.

MR. O. G. R. WILLIAMS (COLONIAL OFFICE)

to

MR. W. R. L. TRICKETT (TREASURY).

DEAR TRICKETT, Downing Street, 29th December, 1931.

WITH reference to your letter No. S. 35919/6 of the 26th of November,* about the claim of the Ottoman Tobacco Régie, we agree that His Majesty's Government's position *vis-à-vis* Palestine and Trans-Jordan is as stated in the first paragraph of your letter.

Both the Palestine and Trans-Jordan Governments are already aware of the position but a suitable opportunity will be taken to remind them, probably when the draft *compromis* is sent out for their observations.

As regards the 'Iraq side of the question I enclose herewith a copy of a letter† which Flood [? Hall] has sent to Rendel, together with its enclosure.‡ You will see that we concur in the amendments to the draft note to the French Government suggested in paragraphs 3 to 7 of your official letter to the Foreign Office, No. S. 35919/6 of the 3rd of December.§

Yours, &c.,
O. G R. WILLIAMS.

C. 98001/32 [No. 6].

No. 15.

'IRAQ.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 4.5 p.m., 29th January, 1932.)

TELEGRAM.

(Paraphrase.)

No. 44. 29TH JANUARY. Reference your telegram No. 304 of 15th December.‡ 'Iraqi Government concur in terms of draft note to French Government as amended.

C. 98001/32 [No. 7].

No. 16.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR, Downing Street, 3rd February, 1932.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to your letter of the 4th of November, 1931,‖ enclosing the draft of a note to the French Ambassador on the subject of the claim of the Ottoman Tobacco Régie, and to request you to inform Secretary Sir John Simon that he concurs in the terms of the draft note amended as suggested in the Treasury letter to the Foreign Office of the 3rd of December, 1931.§

2. I am also directed to invite attention to your letter of the 9th of December,¶ and to enclose a copy of a telegram** from the High Commissioner for 'Iraq, from which it will be observed that the 'Iraqi Government concur in the terms of the draft note as amended. A copy of the telegram†† to which this telegram is a reply was sent to the Foreign Office under cover of Mr. Hall's letter to Mr Rendel of the 29th of December, 1931.†

3. A copy of this letter is being sent to the Treasury.

I am, &c.,
O. G. R. WILLIAMS

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* No. 8. † No. 12. ‡ No. 11. § No. 9. ‖ No. 4. ¶ No. 10. ** No. 15. †† No. 11.

C. 98001/32 [No. 9].

No. 17.

No.

FOREIGN OFFICE to THE FRENCH EMBASSY.

(Copy received in Colonial Office, 10th February, 1932.)

YOUR EXCELLENCY, Foreign Office, S.W.1, 8th February, 1932.

I HAVE the honour to inform Your Excellency that His Majesty's Government in the United Kingdom, in consultation with the competent authorities in 'Iraq, Palestine, and Trans-Jordan, have had under consideration the memorandum which you were good enough to leave here on the 17th June last, regarding the claim of the Régie Générale des Tabacs de Turquie in respect of the termination of their monopoly in 'Iraq, Palestine, and Trans-Jordan.

2. In that document Your Excellency stated that the question of the validity of the Régie's concession was hardly open to question between His Majesty's Government and the French Government, and set out certain considerations upon which this view was based. The French Government therefore considered that the Arbitrator should merely be entrusted with the task of assessing the compensation due to the Régie, the validity of the concession being admitted in advance. I take leave, however, to draw your attention to the fact that, as pointed out in my predecessor's note of 12th November, 1930,* neither His Majesty's Government in the United Kingdom nor the 'Iraqi, Palestine, or Trans-Jordan Governments have ever admitted, or now admit, the validity of this concession, and that they cannot therefore agree to the suggestion in your note under reply that the question of compensation only should be submitted to arbitration, on the supposition that the validity of the concession is not in dispute.

3. His Majesty's Government nevertheless desire to maintain their previous offer that the whole matter should be submitted to arbitration, that is to say, that both the legal issues involved, including the question of the validity of the concession, and the amount of compensation, if any, which should be paid, should be submitted at the same time to the decision of the Arbitrator.

4. In these circumstances I do not propose to deal at this stage with the various arguments advanced in Your Excellency's memorandum in support of the view that the concession was in fact valid at the time of its suppression, and that its validity has been admitted by His Majesty's Government, since, if their proposal is accepted that the matter should be dealt with by arbitration as a whole, these arguments will necessarily fall to be dealt with by the Arbitrator. Meanwhile I think it convenient to explain to you without further delay the views of His Majesty's Government in regard to various points connected with the proposed arbitration on which it would be useful to reach immediate agreement.

5. In the first place, His Majesty's Government are of the opinion that the parties to the proposed arbitration should be described in the *compromis* as the French Government on the one hand and the Government of the United Kingdom of Great Britain and Northern Ireland, acting on behalf of the Governments of 'Iraq, Palestine, and Trans-Jordan on the other. They consider it desirable that the question should be referred for decision to a single arbitrator, whose fees and expenses should be defrayed in equal shares by the two parties to the arbitration. They are willing to consider, in concert with the French Government, the selection of an arbitrator. Further, in their view, the question at issue is one which, by its nature, can best be dealt with by written pleadings, and the presentation of oral arguments in the present case would only increase unnecessarily the expense of the proceedings and prolong their duration.

6. The French Government will no doubt appreciate the fact that, in the event of an award of damages being made, a subsidiary question will arise as to the proportions in which the total sum awarded should be allocated between the territories of 'Iraq, Palestine, and Trans-Jordan. Some time would be required for the purpose of deciding this allocation. Moreover, there are certain questions at issue between His Majesty's Government and the Government of 'Iraq as to the incidence of any possible liability between these two Governments, and these will themselves, in the event of any such liability being established, have to be settled by negotiation, and might even have to form the subject of a separate arbitration. For this reason, His Majesty's Government desire that it should be stated in the *compromis* that, in the event of any award of damages being made, such damages shall be payable on the expiration of a period of not less than eighteen months from the date of the award.

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* Enclosure in No. 65 in Middle East No. 20.

7. In the event of the French Government accepting the offer of His Majesty's Government to submit the whole question to arbitration I shall be prepared, as explained in my predecessor's note of 12th November, 1930, to discuss the details of the proposed arbitration with you, and more especially with regard to the drafting of the proposed *compromis*.

I have, &c.
(for the Secretary of State),
C. W. BAXTER

C. 98001/32 [No. 13].

No. 18.

'IRAQ.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 15th February, 1932.)

[*Answered by No.* 21.]

(Secret.)

SIR, The Residency, Baghdad, 30th January, 1932.

I HAVE the honour to refer to my telegram No. 44, dated the 29th of January, 1932,* notifying that the 'Iraqi Government have intimated their concurrence in the terms of the draft note to the French Government, on the subject of the claim of the Ottoman Tobacco Régie, as revised in your Secret despatch dated the 17th of December, 1931.†

2. In notifying their concurrence the 'Iraqi Government have stated that they consider that, should His Majesty's Government be found liable, as a result of the second arbitration, for any portion of the damages, the expenditure in connexion with the settlement of this dispute also should be divided between the two Governments, and not merely the expenses of the first arbitration, as suggested in paragraph 4 of your Secret despatch dated the 20th of November, 1931.‡ I assume that the answer to this is that the apportionment of the expenses of the arbitration between His Majesty's Government and the 'Iraqi Government will be a matter for settlement by the Arbitrator. I shall be glad to receive confirmation so that I may inform the 'Iraqi Government accordingly.

I have, &c.
HUBERT YOUNG,
Acting High Commissioner for 'Iraq.

C. 98001/32 [No. 14].

No. 19

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 20.]

SIR. Downing Street, 26th February, 1932.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to the letter from this Department of the 24th of November, 1931,§ regarding the claim of the Ottoman Tobacco Régie, and to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch‖ from the Acting High Commissioner for 'Iraq in which he raises the question of the incidence of cost of the second arbitration.

2. Subject to Their Lordships' concurrence, Sir Philip Cunliffe-Lister proposes to inform the High Commissioner for 'Iraq that the assumption made in the second paragraph of this despatch is correct.

3. A copy of this letter and its enclosure is being sent to the Foreign Office.

I am, &c.,
K. W. BLAXTER.

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* No. 15. † C. 89001/31 [No. 35] : not printed. ‡ No. 5.
§ C. 89001/31 [No. 24] : not printed. ‖ No. 18.

C. 98001/32 [No. 17].

No. 20.

TREASURY to COLONIAL OFFICE.

(S. 35919/6.)

SIR, Treasury Chambers, 4th March, 1932.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Blaxter's letter of the 26th ultimo,* transmitting a copy of a despatch from the Acting High Commissioner for 'Iraq in which he raises the question of the incidence of cost of the second arbitration in the matter of the claim of the Ottoman Tobacco Régie; and in reply Their Lordships direct me to request you to inform the Secretary of State as follows.

My Lords assume that the expenses of the arbitration to be apportioned between His Majesty's Government and the 'Iraqi Government will be the Arbitrator's fee, each party bearing its own costs of preparing and presenting its case. On that assumption Their Lordships agree that the High Commissioner may inform the 'Iraqi Government that His Majesty's Government will be prepared to leave the apportionment of the Arbitrator's fee as between the two Governments to the decision of the Arbitrator, but Sir Francis Humphrys should at the same time intimate to the 'Iraqi Government that it will be assumed that in other respects each Government will bear its own costs.

I am, &c.,
R. V. NIND HOPKINS.

C. 98001/32 [No. 18].

No. 21.

'IRAQ.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by No.* 22.]

(Secret.)

SIR, Downing Street, 31st March, 1932.

I HAVE the honour to refer to Major Young's Secret despatch of the 30th of January,† on the subject of the Ottoman Tobacco Régie, in which he raises the question of the incidence of cost of the second arbitration, that is to say, of the arbitration between His Majesty's Government and the 'Iraqi Government.

2. It is assumed that the expenses of this arbitration which will fall to be apportioned between the two Governments will be the Arbitrator's fee, each party bearing its own costs of preparing and presenting its case. On this assumption you may inform the 'Iraqi Government that His Majesty's Government will be prepared to leave the apportionment of the Arbitrator's fee for the second arbitration to the decision of the Arbitrator. You should, however, at the same time indicate to the 'Iraqi Government that it is assumed that in other respects each Government will bear its own costs.

I have, &c.,
P. CUNLIFFE-LISTER.

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* No. 19. † No. 18.

C. 98001/32 [No. 21].

No. 22.

'IRAQ.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 16th May, 1932.)

(Secret.)

SIR, The Residency, Baghdad, 5th May, 1932.

I HAVE the honour to acknowledge receipt of your despatch Secret (2), dated the 31st of March, 1932,* on the subject of the incidence of cost of the arbitration in the matter of the Ottoman Tobacco Régie claim.

2. The information contained in that despatch has been duly placed before the 'Iraqi Government, and I have now received formal intimation that the Government agree to the proposals set out therein.

I have, &c.,
F. H. HUMPHRYS,
High Commissioner for 'Iraq.

* No. 21.

Printed under the authority of His Majesty's Stationery Office,
By METCHIM & SON, 8, Princes Street, Westminster, S.W.1.

Ottoman Régie.—Gp. 6. 24512/2981. 30. 2/34. (1019) M. & S.

Printed for the use of the Colonial Office

Middle East
No. 45

Papers relating to the Middle Eastern Services portion of the Estimate of the Colonial and Middle Eastern Services Vote, 1932

(*In continuation of Middle East No.* 38).

NOTE.—The Middle Eastern Services Estimates series of prints ceases with this volume. Correspondence regarding the Estimates for the Trans-Jordan Frontier Force and the Administration for 1933 *is incorporated with the Palestine* 1933 *Estimates correspondence, and that for Aden with the Aden print, Middle East No.* 46. *No provision for 'Iraq was made in the Colonial and Middle Eastern Services Vote for* 1933 *and no correspondence has been printed.*

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PAPERS

relating to the MIDDLE EASTERN SERVICES portions of the COLONIAL AND MIDDLE EASTERN SERVICES VOTE for 1932.

(For Correspondence with Subject Index see page 7).

I.—PARLIAMENTARY VOTE.

Middle Eastern Services.	1932.	1931.	Increase.	Decrease.
'IRAQ.	£	£	£	£
H.1.—Defence	193,600	224,000	—	30,400
H.2.—Boundary Commission	2,000	1,000	1,000	—
H.3.—High Commissioner, Salaries and Expenses	44,540	45,650	—	1,110
H.4.—Contribution to 'Iraq Government to assist in the Maintenance of the 'Iraq Army (Grant in Aid)	40,000	58,200	—	18,200
H.5.—Maintenance of 'Iraq Levies, &c.	166,000	170,000	—	4,000
H.6.—'Iraq Levies, Disability Compensation, &c.	400	500	—	100
Total for 'Iraq .. £	446,540	499,350	1,000	53,810
PALESTINE AND TRANS-JORDAN.				
I.1.—Defence	164,750	158,250	6,500	—
I.2.—Trans-Jordan Frontier Force (Grant in Aid)	134,000	137,800	—	3,800
I.3.—Contribution to Expenses of Trans-Jordan Administration (Grant in Aid)	82,000	92,500	—	10,500
Total for Palestine and Trans-Jordan £	380,750	388,550	6,500	14,300
ARABIA.				
J.—Aden	49,000	59,000	—	10,000
K.—Telegrams, &c., on Middle Eastern Services	4,000	4,000	—	—
Total for Middle Eastern Services £	880,290	950,900	7,500	78,110
Deduct—				
L.—Appropriations in Aid	107,050	70,800	—	36,250
Net Total .. £	773,240	880,100	7,500	114,360
Net Decrease ..				£106,860

Details.

'IRAQ.

	1932. £	1931. £
H.1.—Defence:		
This provision represents the excess cost of the British Forces stationed in 'Iraq over the cost of such Forces if stationed in Great Britain, and is payable to the Air Ministry	188,000	219,000
Balance of cost of Indian troops lately employed in 'Iraq payable to Government of India	5,600	5,000
Total for Defence ...	£193,600	£224,000
H.2.—Boundary Commission:		
Estimated sum required as the balance of the cost to Imperial Funds of a Commission to determine the boundary between British and French Mandatory Territories in Syria, Palestine, and 'Iraq, in accordance with Article II of the Anglo-French Convention of 23rd December, 1920 (Cmd. 1195). This balance will be required owing to the postponement of work on the 'Iraq section. One-half of the British share of the total cost will be met from 'Iraq revenues	£2,000	£1,000

H.3.—High Commissioner, Salaries and Expenses:

Prior to 1st April, 1931, His Majesty's Government made a contribution of one-half of the salaries and incidental expenses of the High Commissioner and his personal and political staff (including contributions in respect of a provident fund), in accordance with the provision of Article XIII of the Financial Agreement made under the Treaty with King Feisal (Cmd. 2120). As from 1st April, 1931, His Majesty's Government agreed to bear the whole cost of the High Commission.

Numbers. 1931.	Numbers. 1932.		£	£
1	1	High Commissioner (£2,000 and £4,275*)	6,075	6,750
1	1	Private Secretary (Rs. 833 a month)	750	810
1	1	Aide-de-Camp (Rs. 740 ,,)	666	720
1	1	Counsellor (£3,000)	3,000	3,000
1	1	Financial Secretary (Rs. 1,500-Rs. 100-Rs. 2,300 a month)	2,070	2,042
1	1	Political Secretary (Rs. 1,500-Rs. 100-Rs. 2,300 ,,)	1,998	1,908
1	1	Legal Secretary (Rs. 1,500-Rs. 100-Rs. 2,300 ,,)	1,789	1,699
1	1	Oriental Secretary (Rs. 1,300-Rs. 100-Rs. 1,800 ,,)	1,620	1,582
1	1	Consular Secretary (Rs. 1,000-Rs. 1,800 ,,)	1,575	1,485
1	1	Political Attaché (Rs. 540 ,,)	486	486
1	1	Registrar (Rs. 500-Rs. 950 ,,)	855	855
4	4	British Clerks† (Rs. 400-Rs. 600 ,,)	2,160	2,106

* Frais de représentation or foreign allowance; not taxable.

† One of these Clerks receives an allowance of Rs. 50 a month

Numbers. 1931.	Numbers. 1932.		£	£
1	1	Head Translator (Rs. 500-Rs. 25-Rs. 700 a month)	630	622
1	1	Head Record Keeper (Rs. 400-Rs. 20-Rs. 500 ,,)	417	399
5	5	Clerks, Grade 1 (Rs. 315-Rs. 15-Rs. 405 ,,)	1,801	1,757
6	6	,, Grade 2 (Rs. 240-Rs. 15-Rs. 300 ,,)	1,477	1,421
12	11	,, Grade 3 (Rs. 190-Rs. 10-Rs. 230 ,,)	2,144	2,339
4	3	,, Grade 4 (Rs. 140-Rs. 10-Rs. 180 ,,)	449	602
1	1	British Chauffeur (Rs. 450-Rs. 20-Rs. 650 ,,)	585	579
35	33	Subordinate and menial staff	1,859	1,990
—	—	Miscellaneous expenditure including maintenance of Residency building and plant (£2,438); rent and maintenance of quarters for staff (£1,800); provident and Service gratuity funds and pension contributions (£3,221); laying out of grounds, provision of launch (£1,875); travelling and incidentals (£2,800)	12,134	12,498
80	76	Total for High Commissioner, Salaries, &c. ...	£44,540	£45,650

H.4.—Contribution to 'Iraq Government to assist in the Maintenance of the 'Iraq Army (Grant in Aid):

Contribution, of which it is estimated that a sum of £35,000 will fall due for payment in the course of the year 1932, together with a sum of £5,000 to provide for the balance of the contribution payable for the year 1931.		
Expenditure out of the grant in aid will not be accounted for in detail to the Comptroller and Auditor-General. Any balance of the sum issued which may remain unexpended at 31st March, 1933, will not be liable to surrender to the Exchequer ...	£40,000	£58,200

H.5.—Maintenance of 'Iraq Levies, &c.:

This Force is under the orders of the Air Officer Commanding and is distinct from the 'Iraq Army, in respect of which a grant is provided under Sub-head H.4. The sum provided represents the cost of maintaining the Force at an estimated total strength on 1st April, 1932, of 1,738. The organization of this Force, with the consequent release of British and Indian troops, has resulted in a large net saving	£166,000	£170,000

H.6.—'Iraq Levies, Disability Compensation, &c.:

Disability compensation and retired pay to British personnel lately serving with the 'Iraq Levies ...	£400	£500

	1932.	1931.
	£	£

PALESTINE AND TRANS-JORDAN

I.1.—DEFENCE:

Provision for the excess cost of the British Forces in Palestine and Trans-Jordan over the cost of such Forces at their normal stations, payable to the War Office and Air Ministry.

It has been decided that the Palestine Government shall in principle be liable for the whole of the excess cost of the Army troops stationed in Palestine and a moiety of the excess cost of the Royal Air Force stationed in Palestine and Trans-Jordan, and also the capital cost of works services in Palestine for both Forces. The other moiety of the excess cost of the Royal Air Force, together with the capital cost of works services in Trans-Jordan, will be borne by His Majesty's Government.

Repayments by the Palestine Government will be determined with regard to that Government's ability to pay—see Sub-head L £164,750 £158,250

I.2.—TRANS-JORDAN FRONTIER FORCE (GRANT IN AID):

This provision is a contribution towards the cost of the Trans-Jordan Frontier Force, which is available for duty in both Palestine and Trans-Jordan.

The estimated total expenditure for a Force of 950 is £183,405, including £4,515 of a capital and non-recurrent nature. The expenditure will be met from the funds of the Palestine Government with the assistance of a contribution calculated on the basis of three-quarters of the cost of the recurrent expenditure on the Force and the whole cost of the capital expenditure in Trans-Jordan territory.

Expenditure out of this grant in aid will not be accounted for in detail to the Comptroller and Auditor-General, but he will be furnished by the Colonial Office with the audited accounts and with any report of the Director of Colonial Audit thereon. Any balance of the sum issued which may remain unexpended at 31st March, 1933, will not be liable to surrender to the Exchequer, but will be liable to eventual adjustment in the light of the audited accounts for 1932 ... ... £134,000 £137,800

I.3.—CONTRIBUTION TO EXPENSES OF TRANS-JORDAN ADMINISTRATION (GRANT IN AID):

The expenditure out of this grant in aid will not be accounted for in detail to the Comptroller and Auditor-General, but he will be furnished by the Colonial Office with the audited accounts and with any report of the Director of Colonial Audit thereon. Any balance of the sum issued which may remain unexpended at 31st March, 1933, will not be liable to surrender to the Exchequer ... £82,000 £92,500

	1932.	1931.
	£	£

ARABIA.

J.—ADEN:

Before 1st April, 1927, Aden was administered by the Government of India, but as from that date responsibility for the political and military administration of Aden was vested in His Majesty's Government in Great Britain. Military expenditure other than on the local Force is borne on Army and Air Votes with a contribution from India. The provision of £49,000 represents:—

I. Contributions by His Majesty's Government in Great Britain to the Government of India in respect of:—		
(*a*) Civil services connected with the Protectorate (as distinct from the Settlement, for which India remains responsible) including non-effective charges and a contribution to the civil hospital (£3,000)	7,100	5,950
(*b*) Police, including share of cost of capital works	10,000	19,397
II. Expenditure in connexion with the Protectorate for which His Majesty's Government in Great Britain is wholly responsible:—		
(*a*) Protectorate Tribal Levies	16,000	18,000
(*b*) Second Assistant Resident and Protectorate Secretary (inclusive)*	1,090	1,090
Political Officer (inclusive)†	1,377	1,385
Pension contributions (£460) and cost of leave passages (£240)	700	665
(*c*) Expenditure on Protectorate Chiefs	11,680	11,680
(*d*) Mission at Hodeidah	250	250
(*e*) Miscellaneous expenses	803	583
Total for Aden ...	£49,000‡	£59,000

K.—TELEGRAMS, &C., ON MIDDLE EASTERN SERVICES:

Telegrams from 'Iraq	3,200	3,500
Conveyance of Colonial Office bags to and from the Middle East	800	500
Total for Telegrams, &c. ...	£4,000	£4,000

L.—APPROPRIATIONS IN AID:

Miscellaneous receipts in connexion with Sub-head H.3	2,500	1,800
Sales of buildings, stores, equipment, &c., fines, &c., in connexion with Sub-head H.5	1,500	500
Contribution from Palestine revenues towards cost of Defence. See Sub-head I.1	90,000§	55,000
Contribution by Government of India in respect of expenditure at Aden (£12,900) and receipts in connexion with Protectorate Tribal Levies (£150). See Sub-head J	13,050	13,500
Total for Appropriations in Aid ...	£107,050	£70,800

* Receives local allowance of £100 and conveyance allowance £90.

† Receives local allowance £180, personal allowance £162, and consolidated travelling allowance £225.

‡ A contribution, estimated at £12,900, will be made by the Government of India of one-third of the expenditure under this Sub-head excluding police and Mission at Hoheidah. (*See* Sub-head L. Appropriations in aid.)

§ Includes the cost of certain local services previously provided directly by the Palestine Government.

EXTRA RECEIPTS PAYABLE TO HIS MAJESTY'S EXCHEQUER (CASH) :—

	1932.	1931.
	£	£
Port of Basrah.—Interest and sinking fund on account of assets taken over by the Port Authority	36,960	37,862
Trans-Jordan.—Interest and sinking fund contributions on loans in connexion with the repair of earthquake damage	2,590	2,590
Kantara-Rafa Railway.—Share of profits (on account)	—	*7,000*
Kamaran Quarantine Station.—Repayment on account of advances	—	*1,125*
Aden.—Sales of arms and ammunition to Protectorate tribes	200	200
Aden.—Rent contribution of Second Assistant Resident and Protectorate Secretary	100	—
Total Receipts ...	£39,850	£48,777

II.—CORRESPONDENCE.

			Nos.
'Iraq.			
Sub-head H.1.		Defence	1-8
,, ,, H.2.		Boundary Commission	9-12
,, ,, H.3.		High Commissioner's Salaries and Expenses ...	13-15
,, ,, H.4.		Contribution to 'Iraq Army (Grant-in-Aid)	16-34
,, ,, H.5.		Maintenance of 'Iraq Levies	35-42
,, ,, H.6.		'Iraq Levies, Disability Compensation, &c.	43-44
Palestine and Trans-Jordan.			
Sub-head I.1.		Defence	45-60
,, ,, I.2.		Trans-Jordan Frontier Force (Grant-in-Aid) ...	61-68
,, ,, I.3.		Trans-Jordan Administration (Grant-in-Aid)	9-12, 68-104
Arabia.			
Sub-head J.		Aden	105-122
Appropriations-in-Aid.			
Sub-head L.		... ...	35-42, 59, 60, 119, 121-128
Extra Receipts		... ...	129-135

'IRAQ.

Sub-head H.1.—Defence.

C. 88430/31 [No. 1].

No. 1.

COLONIAL OFFICE to AIR MINISTRY.

[*Answered by Nos. 2 and 5.*]

SIR, Downing Street, 17th October, 1931.

I AM directed by Mr. Secretary Thomas to refer to Treasury circular No. F. 11904/32 of the 1st of October, 1931, regarding the preparation of the Civil Estimates for the year ending 31st March, 1933, and to ask that the Air Council will be good enough to furnish an estimate of the amount to be inserted in the Vote for Colonial and Middle Eastern Services for 1932 in respect of the excess cost of the British Forces stationed in 'Iraq over the cost of such forces stationed in Great Britain, and of the balance of the cost, if any, of the Indian troops lately employed in 'Iraq payable to the Government of India.

2. As Their Lordships require a provisional estimate by the 31st of October, I am to ask that the information required may be furnished, if possible, by the 25th instant.

3. In this connexion I am to refer to Mr. Stevens' semi-official letter of the 23rd of September, number 66472/31 (F.E.)* in which a provisional estimate of £200,000 was given.

I am, &c.,
J. E. W. FLOOD.

C. 88430/31 [No. 2].

No 2

AIR MINISTRY to COLONIAL OFFICE.

[*Answered by No. 4.*]

SIR, Air Ministry, London, W.C.2, 27th October, 1931.

WITH reference to your letter of the 17th instant,† I am commanded by the Air Council to request you to inform the Secretary of State for the Colonies that the provisional estimate of the amount to be inserted in the Colonial and Middle Eastern Services Vote, 1932, in respect of the extra cost to Air Votes of the Royal Air Force units stationed in 'Iraq is £195,000.

2 No estimate has yet been received from the India Office in respect of the balance of cost of the Indian troops lately employed in 'Iraq and, in the circumstances, it is considered that a sum of £5,000 should be included provisionally on account of such charges.

I am, &c.,
J. A. WEBSTER.

C. 88430/31 [No. 3].

No 3.

COLONIAL OFFICE to TREASURY.

[*Answered by No. 7.*]

SIR, Downing Street, 30th October, 1931.

WITH reference to Treasury circular No. F. 11904/32 of the 1st October, regarding the preparation of the Civil Estimates for the year ending 31st March, 1933, I am directed by Mr. Secretary Thomas to state, for the information of the Lords Comissioners of the Treasury, that the sum of £200,000 is being inserted provisionally under Sub-head H.1, of the draft Estimate for Colonial and Middle Eastern Services to cover the excess cost of the British forces stationed in 'Iraq over the cost

* 191 A. 1932/33 A/cs. [No. 2] : not printed. † No. 1.

of such forces if stationed in Great Britain. Of this amount £195,000 is estimated to be payable to the Air Ministry in respect of the extra cost of Royal Air Force units stationed in 'Iraq, and £5,000 to the Government of India in respect of the cost of Indian troops lately employed in 'Iraq.

2. Copies of correspondence* with the Air Ministry on the subject are enclosed herewith for Their Lordships' information.

I am, &c.,
J. H. HALL.

C. 88430/31 [No. 4].

No. 4

MR. F. J. HOWARD (COLONIAL OFFICE)

to

MR. W. G. STEVENS (AIR MINISTRY).

[*Answered by No. 5.*]

MY DEAR STEVENS, Downing Street, 7th January, 1932.

PLEASE refer to your letter of the 27th of October† on the subject of the provision in next year's Estimates in respect of the extra cost of the Royal Air Force Units stationed in 'Iraq.

I enclose a copy of a letter‡ I have received from Trickett of the Treasury from which you will see that he is pressing us for details and final figures.

I should be grateful if you would let me know whether your figure of £200,000 for 'Iraq, which, of course, includes £5,000 in respect of India claims, is final.

Yours, &c.,
F. J. HOWARD.

C. 88430/31 [No. 5].

No. 5.

AIR MINISTRY to COLONIAL OFFICE.

[*Answered by No. 8.*]

SIR, Air Ministry, London, W.C.2, 19th January, 1932.

WITH further reference to your letter of the 17th October, 1931,§ I am commanded by the Air Council to request you to inform the Secretary of State for the Colonies that the amount required to be inserted in the Vote for Colonial and Middle Eastern Services, 1932, in respect of the extra cost to Air Votes of the Royal Air Force in 'Iraq is estimated at £188,000. This estimate includes £9,000 in respect of capital expenditure on works services and £4,000 in respect of hirings.

2. The estimated amount required during the financial year 1932 to meet claims by the Government of India in respect of Indian troops formerly employed in 'Iraq, &c., has been reported by the Military Accountant-General in India as £5,632.

I am, &c.,
J. S. ROSS.

C. 88430/31 [No. 6].

No. 6.

COLONIAL OFFICE to TREASURY.

[*Answered by No. 7.*]

SIR, Downing Street, 20th January, 1932.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to the letter from this office of the 30th of October, 1931,‖ on the subject of the provision to be made in the vote for Colonial and Middle Eastern Services, 1932, to cover the excess cost of the British Forces stationed in 'Iraq over the cost of such Forces if stationed in Great Britain, and to enclose, for the information of the Lords Commissioners of the Treasury, a copy of a letter¶ which has been received from the Air Council on that subject.

* Nos. 1 and 2. † No. 2. ‡ C. 89188/31 [No. 13] : not printed. § No. 1. ‖ No. 3. ¶ No. 5.

2. Their Lordships will observe that the excess cost is now estimated at £188,000, in addition to which a further sum of £5,600 is required to meet claims by the Government of India in respect of Indian troops formerly employed in 'Iraq.

3. The revised figure of £193,600 has, therefore, been inserted under Sub-head H.1, Defence, 'Iraq, in place of the sum of £200,000 previously estimated, and I am to ask that Their Lordships may be pleased to approve this provision.

I am, &c.,
J. E. W. FLOOD.

C. 88430/31 [No. 7].

No. 7.

TREASURY to COLONIAL OFFICE.

(S. 17977/010.)

Treasury Chambers, 15th February, 1932.

SIR,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Colonial Office letters of the 30th October, 1931,* and the 20th January, 1932,† on the subject of the provision to be made in the Estimate for Colonial and Middle Eastern Services, 1932, to cover the excess cost of the British Forces stationed in 'Iraq over the cost of such forces if stationed in Great Britain (Sub-head H.1).

In reply I am directed to request you to inform the Secretary of State that My Lords approve the provision of the sum of £193,600 under Sub-head H.1 of the Estimate to be submitted to Parliament.

I am, &c.,
R. V. NIND HOPKINS.

C. 88430/31 [No. 8].

No. 8.

COLONIAL OFFICE to AIR MINISTRY.

Downing Street, 12th April, 1932.

SIR,

WITH reference to your letter of the 19th of January,‡ I am directed by Secretary Sir Philip Cunliffe-Lister to request you to inform the Air Council that the sum of £193,600 has been included under Sub-head H.1 of the Estimate for Colonial and Middle Eastern Services, 1932, to cover (*a*) the excess cost of the British Forces stationed in 'Iraq over the cost of such Forces if stationed in Great Britain (£188,000), and (*b*) the balance of the cost of Indian troops formerly employed in 'Iraq (£5,600).

I am, &c.,
J. E. W. FLOOD.

Sub-head H.2.—Boundary Commission; and Syria—Trans-Jordan Boundary.

C. 89142/31 [No. 31].

No. 9.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 10.]

Downing Street, 2nd November, 1931.

SIR,

I AM directed by Mr. Secretary Thomas to refer to the letter from this Department of the 2nd of February, 1931,§ and to previous correspondence regarding the provision in the Colonial and Middle Eastern Services Vote, 1931, for the delimitation of the frontiers between Syria, and 'Iraq and Trans-Jordan, and to request you to inform the Lords Commissioners of the Treasury that he has had under consideration the question of the amount to be inserted in the Estimates for 1932 for this Service.

2. Their Lordships will recollect that when this matter was last brought to their notice it was proposed to request the Council of the League of Nations to send out a

* No. 3. † No. 6. ‡ No. 5. § C. 89483/31 [No. 4]: not printed.

Commission to examine and report on the whole frontier from the Tigris to El Hamme. It was also proposed to arrange for a new and up-to-date map of the frontier region to be prepared by a joint mapping party. In view of these proposals the following provision was made in the Colonial and Middle Eastern Services Vote for 1931:—

	£
Sub-head D.2 (Boundary Commission)	3,000
In respect of His Majesty's Government's share of a League Commission to report on the frontier between Syria, 'Iraq and Trans-Jordan.	
Sub-head E.3 (Grant-in-aid of Trans-Jordan Administration)	1,000
In respect of Trans-Jordan's share of the League Commission to report on the frontier between Syria and Trans-Jordan	
Sub-head E.3 (Grant-in-aid of Trans-Jordan Administration)	1,333
In respect of Trans-Jordan's share of the joint mapping party.	
A total of	£5,333

3. Circumstances have since arisen which have made it necessary to modify the procedure referred to above, and the whole question has formed the subject of further discussions between the High Commissioner for 'Iraq and the French High Commissioner for Syria. Agreement has not yet been finally reached, but subject to a successful outcome of the negotiations now proceeding with the French Government, it is expected that a League Commission will go out in the first half of next year to report on the Syria-'Iraq sector of the frontier only, and that, subject to the approval of the League of Nations, an agreed frontier between Syria and Trans-Jordan will be delimited on the ground by a joint Anglo-French Delimitation Commission.

4. This procedure should not entail any alteration in the programme of the joint mapping party which, to be of any use, must complete its labours before the end of the current financial year. A preliminary meeting of experts took place on the 10th of October at Beirut.

5. It is impossible to say with any certainty at this stage when the two Commissions now contemplated can commence or terminate their work. It is hoped to bring the matter to the notice of the Council of the League at an early date, but this may not be practicable until the Council's next meeting in January, 1932, or even later. In the circumstances, therefore, it is desirable that provision should be made in next year's Estimates for the whole of His Majesty's Government's share of the cost of both Commissions.

6. The cost of the League Commission to report on the Syria-'Iraq sector of the frontier is estimated to amount to £8,000. The British share of this expenditure will be £4,000, one-half of which, viz., £2,000, will be a charge against Imperial funds in accordance with the arrangement already sanctioned by Their Lordships, the other half being borne by the 'Iraq Government.

7. The question of the Commission to delimit the agreed frontier between Syria and Trans-Jordan has already formed the subject of oral discussions between representatives of the Treasury and the Colonial Office, at which it was intimated that the cost of the British share of the Commission was estimated at between £1,000 and £2,000. The matter has since been discussed with representatives of the War Office, who strongly emphasize the advisability of having the demarcation of the line in this sector carried out under the direction of experts of the Royal Engineers trained in this kind of work, rather than by local surveyors. In these circumstances it is thought advisable to anticipate an expenditure of £2,000 on this service.

8. The Secretary of State will accordingly be glad if Their Lordships will sanction, provisionally, the insertion of the following amounts in the Colonial and Middle Eastern Services Vote for 1932:—

	£
Sub-head H.2 (Boundary Commission)	2,000
In respect of His Majesty's Government's share of the League Commission to report on the frontier between Syria and 'Iraq.	
Sub-head I.3 (Grant-in-aid of Trans-Jordan Administration)	2,000
In respect of Trans-Jordan's share of the Delimitation Commission to demarcate the agreed frontier between Syria and Trans-Jordan.	

9. Their Lordships will observe that the new procedure will not involve His Majesty's Government in any *additional* expenditure. The effect is merely to post-

pone the expenditure of £4,000 out of the total sum sanctioned for the current financial year until 1932; there will thus be a saving on this year's Vote. Alternatively, any expenditure that may be incurred this year as a result of either or both Commissions commencing work before the expiry of the current financial year will result in a saving on the provision proposed for 1932.

I am, &c.,
O. G. R. WILLIAMS.

C. 89142/31 [No. 34].

No 10

TREASURY to COLONIAL OFFICE.

[*Answered by No.* 11.]

(S. 30505.)

Treasury Chambers, 6th November, 1931.

SIR,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. William's letter of the 2nd instant,* regarding the cost of the delimitation of (*a*) the frontier between Syria and 'Iraq and (*b*) the frontier between Syria and Trans-Jordan.

In reply I am directed to request you to inform the Secretary of State that My Lords note that a saving of £4,000 may be expected on this year's provision under the Middle Eastern Vote by reason of the postponement of the work of the League Commissions, and that Their Lordships agree that (*a*) the sum of £2,000 may provisionally be inserted under Sub-head H.2 and (*b*) the sum of £2,000 may provisionally be added to the amount of the Grant-in-Aid under Sub-head I.3 of the Estimates for 1932.

I am, &c.,
R. V. NIND HOPKINS.

C. 98142/32 [No. 11].

No 11.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 12.]

Downing Street, 28th January, 1932

SIR,

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to your letter No. S. 30505 of the 6th of November, 1931,† conveying the approval of the Lords Commissioners of the Treasury for the provisional inclusion of the following amounts in the Colonial and Middle Eastern Services vote for 1932 :—

	£
Sub-head H.2 (Boundary Commission)	2,000
In respect of His Majesty's Government's share of the cost of the League Commission to report on the frontier between Syria and 'Iraq.	
Sub-head I.3 (Grant-in-Aid of Trans-Jordan Administration)	2,000
In respect of Trans-Jordan's share of the cost of the Delimitation Commission to demarcate the agreed frontier between Syria and Trans-Jordan.	

2. The provision of £2,000 under Sub-head I.3 was originally proposed in the belief that the survey of the Syria-Trans-Jordan frontier by the joint mapping party, to which reference is made in paragraphs 2 and 4 of this Department's letter of the 2nd November, 1931,* would precede the work of the joint Anglo-French Delimitation Commission and would consequently be completed before the end of the current financial year. A sum of £1,333 for the survey of the Syria-Trans-Jordan frontier was provided under Sub-head E.3.—Grant-in-Aid of Trans-Jordan Administration of the Colonial and Middle Eastern Services vote for 1931.

3. It has now been decided, however, that it will be more convenient, and probably more economical, for the survey of the frontier between Syria and Trans-Jordan to be undertaken by the Delimitation Commission, which (subject to the approval of the settlement by the Council of the League of Nations) will demarcate the agreed frontier

* No. 9. † No 10.

between those two territories. In this case the sum provided in the Colonial and Middle Eastern Services vote for 1931 for the cost of the joint mapping party will not be expended, and it will be necessary to make provision for this service in the vote for 1932.

4. The Secretary of State will accordingly be glad if Their Lordships will sanction the inclusion in the Colonial and Middle Eastern Services vote for 1932 under Sub-head I.3, of an additional sum of £1,000 in respect of Trans-Jordan's share of the cost of the survey to be carried out by the Delimitation Commission, making a total provision of £3,000 under that Sub-head, instead of the £2,000 proposed in paragraph 8 of the letter from this Department of the 2nd November, 1931.

I am, &c.,
J. E. W. FLOOD.

C. 98142/32 [No. 21].

No. 12

TREASURY to COLONIAL OFFICE.

(S. 30505/2.)

Treasury Chambers, 15th February, 1932.

SIR.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Flood's letter of the 28th January, 1932,* on the subject of the provision to be made in the Estimate for Colonial and Middle Eastern Services, 1932, in respect of the Syria-'Iraq and Syria-Trans-Jordan Boundary Commissions.

In reply I am directed to request you to inform the Secretary of State that My Lords approve the provision of the sum of £2,000 under Sub-head H.2 of the Estimate in respect of the Syria-'Iraq Commission As regards the Syria-Trans-Jordan Commission They have taken account of the fact that a sum of £3,000 will probably be required in arriving at the total provision (£82,000) to be made under Sub-head I.3 as a Grant-in-Aid to the Trans-Jordan Administration. A separate communication will be addressed to you on the provision under this Sub-head.

I am, &c.,
R. V. NIND HOPKINS.

Sub-head H.3.—High Commissioner's Salaries and Expenses.

C. 96372/32 [No. 2].

No. 13.

'IRAQ.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 9th January, 1932.)

(No. 1265.)

The Residency, Baghdad, 30th December, 1931.

SIR,

I HAVE the honour to refer to Major Young's telegram No. 363 dated the 10th of October, 1931,† regarding the budget estimates of the High Commission for the financial year 1932-33, and to enclose herewith three copies of detailed Estimates, showing that an amount of Rs. 6,21,000 will be required for the normal expenditure of the High Commission (including the cost of telegrams), and a sum of Rs. 29,000 for non-recurring expenditure, during the coming year.

2. Accompanying the Estimates are the Statements called for in paragraph 2 of Lord Passfield's despatch " Accounts " No. 21 dated the 14th of March, 1930,‡ giving details of the staff actually employed, in comparison with the number of posts for which provision is made in the Estimates.

3. The total of the draft Estimates for normal expenditure (including telegrams) shows a reduction of Rs. 34,333 on the estimates of the current financial year. This anticipated saving is due to a variety of causes which I propose to deal with briefly in the succeeding paragraphs of this despatch. It is, however, necessary to explain that, although it is probable that a complete reorganization of the existing establishments will be necessary during the year which these Estimates cover, I am asking for provision for the whole year for practically the same staff as is at present employed. In my previous despatch on the subject of the expenditure of the High Commission

* No. 11. † C. 88428/31 [No. 1] : not printed. ‡ No. 33 in Middle East No. 33.

No. 1073, dated the 31st of October, 1930,* I stated that I had satisfied myself that " whilst the functions and responsibilities of the High Commission remain as they are at present, it is not possible to achieve any important reduction in staff." Lord Passfield was pleased to concur in this expression of opinion in his letter dated the 6th of February, 1931,† to the Secretary to the Treasury. There is no reason to alter it. It is at present impossible for me to foresee exactly what alterations will be necessary when the anticipated change in the status of 'Iraq, and the position of the High Commission, takes place, but it is unlikely that the changes will be reflected to any great extent in the Estimates for the coming year.

The members of the staff of the High Commission are serving on conditions of service which entitle them to notice, periods of leave ex 'Iraq, and free passages with family concessions. Even if a clean cut were made of the whole staff in September next, the cost of their repatriation, leave and other terminal charges contingent upon the settlement of their accounts would absorb most, if not the whole, of the provision now asked for. I have, in fact, found it desirable to increase the amount provided under " Cost of passages," in order to provide for an increase in the number of passages to be paid for when general repatriation becomes necessary. Further, it is unlikely that savings of any magnitude could be made upon the provision for " Services," as the amounts suggested are only sufficient to keep the offices and the Residency working. The expenditure on them cannot be reduced to any marked extent whilst the present incidence of these charges is unaltered, and in my opinion, it will be necessary to provide the full amount shown in these Estimates.

4. In accordance with the principle enunciated in paragraph 3, the establishment for which provision is made is substantially the same as that authorized for the current financial year, minor fluctuations in the estimated cost being due to normal increments falling due and to other incidental minor changes common to clerical establishment. I have, however, been able to approve the elimination of the post of one typist in Grade III, and of a telephone operator. These savings are allowed for in the Estimates. The pay of a few menial posts is being reduced where this action appears to be justified.

5. I have allowed for reductions in the salaries of myself and of my personal staff as directed in your Confidential despatch of the 12th November,‡ and would point out that, although no visible saving appears upon the vote for salaries of other officers, the payment by them of income tax at full rates for the first time has the same effect on them as a cut in salaries, and benefits the Exchequer to approximately the same extent.

I have made no allowance for the operation of a cut in the salaries of the subordinate staff referred to in paragraph 5 of your despatch of the 12th November, but should the Board of Inland Revenue decide to exempt this personnel from assessment to the United Kingdom income tax I will put forward proposals for small reductions in their emoluments.

6. Explanatory notes are given of variations in the estimated expenditure on " Allowances and Services " in the Estimates. The expenditure on these services is constantly under review, and no opportunity is lost of effecting economies.

7. The provision for two syces and for horse allowance for two horses, reduced from three syces and three horses in the previous Estimates, which has hitherto been provided as part of the High Commission official establishment, has now been eliminated entirely as an official charge.

8. The cost of telephones, which are installed primarily for official purposes in the residences of officers will, in future, be shared by the officers themselves. In addition to reducing expenditure in this way, the cost of telephones has been substantially reduced by the operation of a Secretariat sub-exchange and also by classifying house telephones as " private " telephones so as to take advantage of the reduced rates of hire, prescribed for private, as separate from official, installations.

9. I have again reviewed the conditions under which the house to office conveyance allowance, referred to in paragraph 7 of my despatch No. 1073 dated the 31st October, 1930,§ has been paid to certain members of the staff, and I am satisfied that the conditions under which the allowance was originally granted have not sufficiently changed to justify its withdrawal. With the concurrence of the officers concerned, however, I have authorized a reduction in the rate of the allowance, from Rs. 3 *per diem* to Rs. 2 *per diem*, subject to a maximum payment of Rs. 50 *per mensem*. Provision has accordingly been made under item 65 of the Estimates for payment of the allowance at this rate to officers who satisfy the conditions.

* C. 78442/30 [No. 4]: not printed.
† No. 28 in Middle East No. 38.
‡ C. 88442/32 [No. 2]: not printed.
§ C. 78442/30 [No. 4]: not printed.

10. A slight increase is shown in the charges for rental to be paid for the provision of houses for British staff owing to additional married accommodation being necessary. It will not be overlooked that the insertion of the gross expenditure on this account gives an erroneous impression of the cost of the service. Probably as much as one-third of the amount asked for will be recovered from the officers themselves and credited to High Commission funds. If credit could be taken for these recoveries in the Estimates, the figure to be inserted would be Rs. 15,000, instead of the sum of Rs. 23,000 for which provision has to be made. I recommend that consideration should again be given to the possibility of inserting the net charge only.

11. I have included as a new item (No. 13*a*) in the Estimates, a sum of Rs. 5,000 to allow of work being continued on the reclamation of the additional area recently acquired for the Residency. Much care and labour will be needed before the existing brick-strewn wilderness can be transmuted into garden land. A beginning is being made with the work, which cannot be carried out by the ordinary staff, and it must be carried on into the new financial year. I would invite a reference to paragraph 8 of my despatch No. 559 dated the 29th of May, 1931,† in which I represented the need for allocating funds for this purpose. The unkempt appearance of the area, now that the buildings have been razed, strengthens the case for the provision of funds. I hope that the inclusion of this new item will be approved.

12. The necessity for " Secret Service " expenditure has now practically disappeared, and I have, therefore, deleted all provision under this heading from the Estimates.

13. In the Imperial Estimates for the current year the cost of telegrams from 'Iraq is provided for as a separate head, and the amount included was Rs. 46,666-11-0. I consider that this can be reduced to Rs. 36,000 for the coming year, and I have inserted this figure accordingly. A further reduction could have been shown had not the fall in the value of sterling caused a sharp rise in the cost of telegrams sent from 'Iraq.

14. I have already mentioned my despatch No. 559 dated the 29th of May, 1931, in which I referred to items of special expenditure, which are not classifiable as recurring charges and should not normally appear in High Commission Estimates. I now venture to resubmit for consideration two matters not involving heavy expenditure referred to in that despatch. They are:—

(*a*) the provision of a launch at an estimated cost of Rs. 20,000; and
(*b*) an allocation of Rs. 9,000 in order that a squash court may be built within the Residency grounds.

I have given in that despatch detailed reasons for recommending the expenditure, and I attach, for ease of reference, extracts from the despatch dealing with these two items. I would reiterate that a fast launch of good appearance is and will be an essential part of the equipment of His Majesty's Government's chief representative in this country, and that the provision of a squash racquets court in the Residency grounds may almost be regarded as a necessity for the health and comfort of his staff. I have, therefore, inserted these two items, separately, on the final page of the draft Estimates. The figure inserted as the cost of a motor-launch is little more than a guess, as I have no data from which to make any close estimate of cost.

15. It will doubtless be noticed that even after allowing for the items of special expenditure referred to in paragraph 14 above, the total provision asked for on High Commission account for the coming financial year will be Rs. 5,333 less than the provision included in the Estimates for the normal expenditure of the High Commission during the current financial year. It is, I suggest, for consideration whether the two additional items of expenditure should not be incorporated in the general estimates.

16. I regret the delay which has occurred in forwarding these Estimates but, as Mayor Young pointed out in his telegram of the 10th October,* they could not be prepared until my return to 'Iraq, since when an exhaustive review of all forms of High Commission expenditure has been made.

I have, &c.,
F. H. HUMPHRYS,
High Commissioner for 'Iraq.

* C. 88428/31 [No. 1]. not printed.

SUB-HEAD I-3.—HIGH COMMISSIONER'S SALARIES AND EXPENSES.

Enclosure 1 in No. 13.

'IRAQ—ESTIMATES OF SUMS REQUIRED FOR HIGH COMMISSIONER'S "SALARIES AND EXPENSES," 1932-1933.

Numbers. *Item.* 1931-1932.	1932-1933.	*Service.*	*Provision.* 1931-32. *Rs.* *Sanctioned amount by Colonial Office.*	1932-33. *Rs.*	*Difference.* + *Rs.*	− *Rs.*	*Expenditure to 30th September, 1931.* *Rs.*	*Explanation or Remarks.*
		CIVIL ESTIMATES, 1932-33—MIDDLE EASTERN SERVICES, HEAD III 1-3 (HIGH COMMISSIONER'S SALARIES AND EXPENSES).						
		SALARIES.						
		Article (1).						
1 1	1	H.E. the High Commissioner	26,667. 0	24,000. 0	—	2,667. 0	45,000. 0	Reduced rates of pay introduced from 1st November, 1931, in accordance with Colonial Office instructions.
2 —	—	Frais de répresentation	63,333. 0	63,333. 0	—	—		
		Article (2).						
3 1	1	Private Secretary	10,800. 0	9,996. 0	—	804. 0	4,006. 7	Do. do. do.
4 1	1	Aide-de-Camp	9,600. 0	8,880. 0	—	720. 0	4,000. 0	Do. do. do.
5 1	1	Counsellor	40,000. 0	40,000. 0	—	—	19,999.14	
6 1	1	Financial Secretary	27,226.11	27,600. 0	373. 5	—	13,420. 0	Reached maximum of scale 25th June, 1931
7 1	1	Political Secretary	25,140. 0	26,645. 0	1,205. 0	—	12,600. 0	Normal increment.
8 1	1	Legal Secretary	22,653. 5	23,853. 5	1,200. 0	—	11,253. 5	
9 1	1	Oriental Secretary	21,093. 5	22,300. 0	1,206.11	—	10,300. 0	
10 1	1	Consular Secretary	19,800. 0	21,000. 0	1,200. 0	—	9,600. 0	
11 1	1	Registrar	11,400. 0	11,400. 0	—	—	5,700. 0	
12 —	—	Leave arrangement	14,667. 0	—	—	14,667. 0	5,227. 9	No special arrangement contemplated.
		Total to Summary	2,92,680. 5	2,79,007. 5	5,185. 0	18,858. 0	1,41,107. 3	

Numbers. *Item.* 1931-1932.	1932-1933.	*Service.*	*Provision.* 1931-32. *Rs.* *Sanctioned amount by Colonial Office.*	1932-33. *Rs.*	*Difference.* + *Rs.*	− *Rs.*	*Expenditure to 30th September, 1931.* *Rs.*	*Explanation or Remarks.*
		BRITISH CLERKS (Rs. 400—25—600).						
		Article (3).						
13 1	1	Superintendent, Confidential Section ...	7,200. 0	7,200. 0	—	—	3,600. 0	
		,, ,, Charge Allowance	600. 0	600. 0	—	—	300. 0	
14 2	2	Cypher Clerks—(1)	7,075. 0	7,200. 0	125. 0	—	3,475. 0	Normal increment.
		(2)	6,005. 0	6,600. 0	595. 0	—	3,151.13	Normal increment; but see Treasury letter of 9th May, 1931, C. 7586/6* sanctioning special increment raising salary of 1 Clerk to Rs. 525 *per mensem* as from 28th February, 1931.
15 1	1	Stenographer	7,200. 0	7,200. 0	—	—	3,600. 0	
		Total to Summary	28,080. 0	28,800. 0	720. 0	—	14,126.13	

* P.F. 20555 C.R. [No. 56].

Item.	Numbers. 1931-1932.	1932-1933.	Service.	Provision. 1931-32. Rs. Sanctioned amount by Colonial Office.	1932-33. Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1931 Rs	Explanation or Remarks.
			OFFICE ESTABLISHMENT.						
			Article (3).						
16	1	1	Political Attaché	6,480. 0	6,480. 0	—	—	3,240. 0	
17	1	1	Head Translator	8,293. 5	8,400. 0	106.11	—	4,106.11	
18	1	1	Head Record Keeper	5,320. 0	5,560. 0	240. 0	—	2,640. 0	Normal increment.
			GRADE I CLERKS (Rs. 315—15—405).						
19	1	1	Consular Clerk	4,860. 0	4,860. 0	—	—	2,430. 0	
20	1	1	Head Typist	4,635. 0	4,815. 0	180. 0	—	2,295. 0	Normal increment. Reaches maximum 1st June, 1932.
21	1	1	Head Despatch Clerk	4,745. 0	4,860. 0	115. 0	—	2.340. 0	Normal increment. Reached maximum 21st October, 1931.
			GRADE II CLERKS (Rs. 240—15—300)						
22	2	2	Record Clerks—(1)	3,285. 0	3,465. 0	180. 0	—	1,620. 0	Normal increment. Reaches maximum 1st December, 1932.
			(2)	3.000. 0	3,060. 0	60. 0	—	1,440. 0	Normal increment.
23	1	1	Confidential Clerk	2,880. 0	3,060. 0	180. 0	—	1,440. 0	Normal increment.
24	1	1	Stenographer	3,001.11	3,150. 0	148. 5	—	1,440. 0	Normal increment.
25	1	1	Translator	3,180 0	3,360. 0	180. 0	—	1,562. 8	Normal increment.
26	1	1	Confidential Typist	3,600 0	3,600. 0	—	—	1,800. 0	
			Total to Summary	53.280. 0	54,670. 0	1,390. 0	—	26,354. 3	

Item.	Numbers. 1931-1932.	1932-1933.	Service.	Provision. 1931-32. Rs. Sanctioned amount by Colonial Office.	1932-33. Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1931. Rs.	Explanation or Remarks.
			GRADE III CLERKS (Rs. 190—10—230).						
			Article (3).						
27	2	2	Despatch Clerks— (1)	2,760. 0	2,280. 0	—	480. 0	1,181. 4	Change in incumbency.
			(2)	2,306.10	2,440. 0	133. 6	—	1,140. 0	Normal increment.
28	5	5	General Clerks— (1)	2,760. 0	2,760. 0	—	—	1,380. 0	Maximum.
			(2)	2,760. 0	2,760. 0	—	—	1,380. 0	Maximum.
			(3)	2,760. 0	2,440. 0	—	320. 0	1,140. 0	Change in incumbency.
			(4)	2,760. 0	2,760. 0	—	—	1,380. 0	Maximum.
			(5)	2,280. 0	2,280. 0	—	—	1,080. 0	
29	3	3	Typists— (1)	2,280. 0	2,280. 0	—	—	1,080. 0	
			(2)	2,760. 0	2,760. 0	—	—	1,380. 0	Maximum.
			(3)	2,720. 0	690. 0	—	2,030. 0	880. 0	Reduction of establishment.
			GRADE IV CLERKS (Rs. 140—10—180).						
30	2	2	General Clerks— (1)	2,160. 0	2,160. 0	—	—	1,024. 5	Maximum.
			(2)	2,160. 0	1,790. 0	—	370. 0	700. 0	Change in incumbency.
31	1	1	Typist and Translator	1,920. 0	2,040. 0	120. 0	—	960. 0	Normal increment.
32	1	—	Telephone Operator Clerk	1,786.11	—	—	1,786.11	807. 7	Installation of automatic exchange.
			Total to Summary	34,173. 5	29,440. 0	253. 6	4,986.11	15,513. 0	

Item.	Numbers. 1931-1932.	1932-1933.	Service.	Provision. 1931-32. Rs. Sanctioned amount by Colonial Office.	1932-33. Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1931. Rs.	Explanation or Remarks.
			ACCOUNTS ESTABLISHMENT.						
			Article (3).						
33	1	1	Cashier (Grade I)	4,440. 0	4,620. 0	180. 0	—	2,194. 0	Normal increment.
34	1	1	Accounts Clerk (Grade I)	4,746.11	4,860. 0	113. 5	—	2,340. 0	Normal increment. Maximum.
35	1	1	Accounts Clerk (Grade III)	2,280. 0	2,366. 0	86. 0	—	1,106. 0	Normal increment.
36	1	1	Assistant Cashier (Grade III)	2,760. 0	2,760. 0	—	—	1,380. 0	Maximum.
			SUBORDINATE AND MENIAL ESTABLISHMENT (Office).						
37	2	2	Daftries	2,520. 0	2,520. 0	—	—	1,260. 0	
38	1	1	Store Keeper	960. 0	960. 0	—	—	479. 0	
39	10	10	Qawasses	5,340. 0	5,340. 0	—	—	2,658. 0	
40	1	1	Coffeeman	600. 0	600. 0	—	—	288. 0	
41	2	2	Sweepers for Office	840. 0	840. 0	—	—	420. 0	
42	1	1	Night Watchman	720. 0	720. 0	—	—	360. 0	
43	1	1	Car and Launch Driver...	1,200. 0	1,200. 0	—	—	600. 0	
			Total to Summary	26,406.11	26,786. 0	379. 5	—	13,085. 0	

Item.	Numbers. 1931-1932.	1932-1933.	Service.	Provision. 1931-32. Rs. Sanctioned amount by Colonial Office.	1932-33. Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1931. Rs.	Explanation or Remarks.
			RESIDENCY ESTABLISHMENT.						
			Article (3).						
44	1	1	Dragoman	4,500. 0	4,200. 0	—	300. 0	2,100. 0	
45	1	1	British Chauffeur	7,720. 0	7,800. 0	80. 0	—	3,820. 0	Normal increment. Reached maximum 1st July, 1931.
46	1	1	House Bearer	960. 0	960. 0	—	—	480. 0	
47	1	1	2nd House Bearer	720. 0	720. 0	—	—	360. 0	
48	2	2	Qawasses	960. 0	960. 0	—	—	476. 2	
49	2	—	Syces	840. 0	—	—	840. 0	210. 0	Posts abolished.
50	4	4	Gardeners	2,533. 5	2,040. 0	—	493. 5	1,000. 8	Reduction in salary.
51	1	1	Launch Driver	1,440. 0	1,440. 0	—	—	720. 0	
52	1	1	Khalassi	720. 0	600. 0	—	120. 0	360. 0	Reduction in salary.
53	4	4	Sweepers	1,680. 0	1,680. 0	—	—	840. 0	
			Total to Summary	22,073. 5	20,400. 0	80. 0	1,753. 5	10,366.10	

Item.	Numbers. 1931-1932.	Numbers. 1932-1933.	Service.	Provision. 1931-32. Rs.	Provision. 1932-33. Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1931. Rs.	Explanation or Remarks.
		Article.		Sanctioned amount by Colonial Office.					
			EXPENSES.						
54	—	1	Allowance for Maintenance of Horses...	600. 0	—	—	600. 0	300. 0. 0	Allowance terminated.
55	—	2	Travelling and Tour Charges	4,000. 0	3,000. 0	—	1,000. 0	1,361. 4. 0	Over-estimation in previous year.
56	—	3	Books, Printing, and Stationery ...	4,462. 0	2,500. 0	—	1,962. 0	967. 3. 0	Reduction owing to supplies now being obtained from His Majesty's Stationery Office, and expenditure being restricted to local purchase and printing.
57	—	4	Furniture and Equipment for Office ..	1,116. 0	1,000. 0	—	116. 0	711. 4. 0	
58	—	5	Office Contingencies	1,000. 0	1,000. 0	—	—	574. 5. 6	
59	—	6	Rent of Telephones	5,500. 0	2,500. 0	—	3,000. 0	1,157.15. 0	Reduction of charges and contributions by officers. See despatch.
60	—	7	Uniform and Liveries	1,320. 0	1,000. 0	—	320. 0	332. 0. 0	Reduction of provision.
61	—	8	Postage	2,000. 0	1,936.11	—	63. 5	685. 3. 0	Reduction of provision.
62	—	9	Rent for Quarters for Staff	22,507. 0	23,000. 0	493. 0	—	10,300. 0. 0	See despatch.
63	—	10	Secret Service	5,000. 0	—	—	5,000. 0	120. 0. 0	Provision deleted.
64	—	11	Mechanical Transport	6,500. 0	5,500. 0	—	1,000. 0	1,893. 2. 0	Reduction of house to office allowance.
			Total to Summary	54,005. 0	41,436.11	493. 0	13,061. 5	18,402. 4. 6	

Item.	Numbers. 1931-1932.	Numbers. 1932-1933.	Service.	Provision. 1931-32. Rs.	Provision. 1932-33. Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1931. Rs.	Explanation or Remarks.
		Article.		Sanctioned amount by Colonial Office.					
65	—	12	Maintenance of Quarters for Staff ...	2,000. 0	1,000. 0	—	1,000. 0	157.12. 0	Restriction of service.
66	—	13	Maintenance of Buildings and Plant ..	16,000. 0	14,500. 0	—	1,500. 0	1,951.15. 0	
		13A	Laying Out of Newly Acquired Area ..	—	5,000. 0	5,000. 0	—	—	
67	—	14	Labour Charges (Works and Services)...	9,000. 0	6,000. 0	—	3,000. 0	2,409.13. 0	Reduction owing to abandonment of private water supply.
68	—	15	Electric Current	10,000. 0	9,000. 0	—	1,000. 0	3,396. 4. 0	Do. do. and reduction in cost of current.
69	—	16	Fuel and Water Charges	1,493. 0	3,000. 0	1,507. 0	—	559.14. 0	Inclusion of cost of water supplied from town mains.
70	—	17	Furniture for Residency	3,142. 0	1,000. 0	—	2,142. 0	709.11. 0	Equipment nearing completion.
71	—	18	Cost of Passages	12,000. 0	17,000. 0	5,000. 0	—	5,813. 8. 6	Increased provision due to allowance for possible repatriation charges.
72	—	19	Pension contribution to other Governments	3,760. 0	3,760. 0	—	—	1,070 0. 0	
73	—	20	Medical Attendance to Staff	1,000. 0	500. 0	—	500. 0	—	
74	—	21	Presentation Articles	800. 0	400. 0	—	400. 0	–	
75	—	22	Provident Fund	30,146. 0	34,900. 0	4,754. 0	—	14,927. 8. 0	Normal increments.
76	—	23	Service Gratuity	8,627. 0	8,400. 0	—	227. 0	4,263. 5. 0	
			Total to Summary	97,968. 0	1,04,460. 0	16,261. 0	9,769. 0	35,259.10. 6	

Numbers. Item.	1931-1932.	1932-1933.	Service.	Provision. 1931-32. Rs.	1932-33. Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1931. Rs.	Explanation or Remarks.
			CIVIL ESTIMATES, 1932-33—MIDDLE EASTERN SERVICES. HEAD III L.						
77	—	—	(Telegrams from 'Iraq)	46,666.11	36,000. 0	—	10,666.11	7,429. 0. 6	

Numbers. Item.	1931-1932.	1932-1933.	Service.	Provision. 1931-32. Rs.	1932-33. Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1931. Rs.	Explanation or Remarks.
Page.									
			HEAD III 1-3 (HIGH COMMISSIONER'S SALARIES AND EXPENSES)						
1			.. ..	2,92,680. 5	2,79,007. 5	5,185. 0	18,858. 0	1,41,107. 3. 0	
2			... ...	28,080. 0	28,800. 0	720. 0	—	14.126.13. 0	
3			... ...	53,280. 0	54,670. 0	1,390. 0	—	26.354. 3. 0	
4			... ...	34,173. 5	29,440. 0	253. 6	4,986.11	15.513. 0. 0	
5			... ...	26,406.11	26,786. 0	379. 5	—	13.085. 0. 0	
6			... ...	22,073. 5	20.400. 0	80. 0	1,753. 5	10.366.10. 0	
7			... ...	54,005. 0	41,436.11	493. 0	13,061. 5	18.402. 4. 6	
8			... ...	97,968. 0	1,04,460. 0	16,261. 0	9,769. 0	35,259.10. 6	
				6.08,666.10	5.85.000. 0	24,761,11	48,428. 5	2,74,214.12. 0	
			Head III L. (Telegrams from 'Iraq) ...	46,666.11	36,000. 0	—	10,666.11	7.429. 0. 6	
			Special non-recurring expenditure:—						
			(a) Provision of a squash rackets court	—	9,000. 0	9,000. 0	—	—	
			(b) Purchase of a motor-launch ...	—	20.000. 0	20,000. 0	—	—	
			TOTAL ... ... Rs.	6,55,333. 5	6.50,000. 0	53,761.11	59,095. 0	—	

F. E. STAFFORD,
Financial Secretary to
H.E. the High Commissioner for 'Iraq.

Baghdad,
30th December. 1931.

Statement 1.

Serial No.	*Name of the Post*	*Name.*	*Scale of Pay. Rs.*	*Incremental Date.*	*Point in scale on 1st March, 1932. Rs.*
1	High Commissioner	H.E. Sir Francis Humphrys	... Salary 2,000 *per mensem* Frais 5,277.12. 0 *per mensem*	Fixed	—
2	Private Secretary	Lieutenant J. de B. Stansfeld	... 833 *per mensem*	Fixed	—
3	Aide-de-Camp	Flying Officer A. L. Franks	... 740 *per mensem*	Fixed	—
4	Counsellor	Major H. W. Young ...	... 3,333.5.0 *per mensem*	Fixed	—
5	Financial Secretary	Mr. F. E. Stafford	... 1,800—100—2,300	Maximum	2,300
6	Political Secretary	Mr. R. S. M. Sturges ...	... 1,800—100—2,300	18th December, 1932	2,200
7	Legal Secretary	Mr. J. H. B. Nihill	... 1,800—100—2,300	15th April, 1932	1,900
8	Oriental Secretary	Captain V. Holt	... 1,300—100—1,800	Maximum	1,800
9	Consular Secretary	Mr. C. Empson	... 1,300—100—1,800	1st September, 1932	1,700
10	Registrar	Mr. W. J. Regan	... 800—75—950	Maximum	950
11	Superintendent, Confidential Section ...	Mr. E. Farmer	... 400—25—600	Maximum	600
12	Cypher Clerk	Mr. A. H. Martin	... 400—25—600	Maximum	600
13	Assistant Cypher Clerk	Mr. J. Lamb...	... 400—25—600	28th February, 1933	550
14	Stenographer	Mr. T. J. Usher	... 400—25—600	Maximum	600

Statement 2.

Serial No.	*Name of Post.*	*Name.*	*Increment Date.*	*Point in scale on 1st March, 1932. Rs. as. p.*	*Remarks*
		Special Posts.			
1	Political Attaché	Nawab Muhammad Hussain Khan, Q. (Rs. 540)	Fixed	—	
2	Head Translator	Mr. J. D. Salamah (Rs. 500—25—700)	23rd June, 1932	700 0 0	
3	Record Keeper	Mr. E. N. Nair (Rs. 400—20—500) ...	1st January, 1933	460 0 0	
		Grade I (Rs. 315—15—405).			
4	Consular Clerk	Mr. E. C. Rose	Maximum	405 0 0	
5	Head Typist	Mr. Abdul Rashid	1st June, 1932	390 0 0	
6	Head Despatch Clerk ...	Mr. M. Y. Quraishi	Maximum	405 0 0	
		Grade II (Rs. 240—15—300).			
7	Record Clerk	Mr. G. N. Taylor	1st March	255 0 0	
8	Record Clerk	Mr. K. E. Krishnan Unni Nair ...	1st December, 1932	285 0 0	
9	Confidential Clerk	Mr. R. Blaney	1st March	255 0 0	
10	Stenographer	Mr. K. T. Narayana Iyengar	30th August, 1932	255 0 0	
11	Translator	Mr. Assad Z. Khoury	26th June, 1932	270 0 0	
12	Confidential Typist	Mr. Tek Chaud	Maximum	300 0 0	
		Grade III (Rs. 190—10—230).			
13	Despatch Clerk	Mr. B. C. Das Gupta	1st May, 1932	150 0 0	
			Grade IV		
14	Despatch Clerk	Mr. Gian Chand...	1st November, 1932	200 0 0	
15	General Clerk	Mr. Mahamad Din	Maximum	230 0 0	
16	Do.	Mr. J. D. Edwin	Grade IV	180 0 0	
17	Do.	Mr. P. V. Mani Tyer	Maximum	230 0 0	
18	Do.	Mr. S. Walter	Maximum	230 0 0	
19	Do.	Mr. Ghulam Rasul	1st November, 1932	200 0 0	
20	Typist	Mr. P. K. V. Iyer	(Grade IV).	180 0 0	
21	Do.	Mr. S. Abdul Ali	Maximum	230 0 0	
22	Do.	Mr. Dayaldas Harisingh	Maximum	230 0 0	
		Grade IV (Rs. 140—10—180).			
23	General Clerk	Mr. F. N. Pilcher	Maximum	180 0 0	
24	Do.	Mr. M. A. H. Rao	1st April, 1932	140 0 0	
25	Translator and Arabic Typist	Mr. J. J. Jacob	1st March	170 0 0	
26	Telephone Operator Clerk ...	Mr. V. G. Immanual	—	140 0 0	No provision in the Budget, 1932-1933.
		Accounts Establishment.			
27	Cashier	Mr. K. Kunhiraman (Grade I)... ...	23rd June, 1932	375 0 0	
28	Accounts Clerk	Mr. S. Namasivayam (do.)... ...	Maximum	405 0 0	
29	Do.	Mr. K. P. Kumara Pillai (Grade III)...	13th June, 1932	190 0 0	
30	Assistant Cashier	Mr. A. K. Dass (Grade III)	Maximum	230 0 0	

Enclosure 2 in No. 13.

EXTRACT FROM HIGH COMMISSIONER'S DESPATCH No. 559, DATED THE 29TH OF MAY, 1931, TO THE SECRETARY OF STATE FOR THE COLONIES.

* * * * * * * * * *

5. I venture to take this opportunity to resubmit for Your Lordship's consideration the provision of a squash racket court in the Residency grounds, which was one of the proposals contained in my despatch of the 1st of July, 1930. This item was excluded from the list of sanctioned works and I was informed that it would receive further consideration, which I recommend should now be given. My original proposal was that a standard squash court should be provided with a gallery, changing room, and shower bath, but it is now modified by the elimination of the changing room and shower bath and the construction of a simple court with a gallery only. It is estimated that the cost, including overhead charges, would be approximately Rs. 9,000. It will not be possible to meet this expenditure from savings in the normal estimates of the High Commission for the current financial year. The provision of a court would be highly beneficial to the health of the staff of the High Commission and future Embassy in one of the most exacting climates in the world, since it would provide them with means, now denied them, for exercise near their work.

* * * * * * * * * *

9. It will be necessary to provide a new motor-launch for the High Commissioner. The road bridges over the river connecting the Residency with the offices of His Majesty the King and the 'Iraqi Government are cut daily at times which are not always convenient, and it is essential to maintain communication with the other side of the river and for the High Commissioner to be able to move by river at any time. The necessity for this has been recognized in the past by the provision of two launches for the use of the High Commission, one of which is allocated for the use of the High Commissioner himself. This launch was purchased in 1922 as a second-hand bargain for Rs. 2,000. It is now broken down, and expenditure of Rs. 500 is required to put it into running order, but I am advised that further expenditure would be a waste of money as the engine and the hull have reached the end of their working life. I have not had time to examine details or specifications of a suitable launch, but I understand by inquiry from the Port Director that a suitable boat could probably be obtained for £1,500. I am strongly of opinion that a good motor-launch, which will last some years, should be provided as early as possible for the official use of the High Commissioner, though I do not press for provision to be made during the current financial year. The second of the two launches is still in use, but it, too, is old, almost worn out, and is altogether unsuitable for permanent use as the official launch.

* * * * * * * * * *

C. 96372/32 [No. 3].

No 14.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 15.]

Downing Street, 16th January, 1932.

SIR,

I AM directed by Secretary Sir Philip Cunliffe-Lister to transmit to you herewith, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch* from the High Commissioner for 'Iraq, forwarding a detailed Estimate in support of the provision required to be made in the Vote for Colonial and Middle Eastern Services, Class II—9, 1932, to cover the cost of the High Commission. In this connexion I am to observe that the Secretary of State understands that provision should be made in the

* No. 13.

Estimate of this Department to cover the cost of this service for the whole of the financial year despite the fact that, in the likely event of 'Iraq's entry into the League of Nations during the course of the year, the responsibility for the representation of His Majesty's Government at Baghdad will probably be transferred to the Foreign Office. It will be observed that, in the absence of definite information as to the organization of the High Commission if and when this change is brought about, the framing of the estimate has been attended with some difficulty, but that, mainly for the reasons given in the concluding portion of paragraph 3 of his despatch, Sir F. Humphrys recommends that the provision should be made on the assumption that a staff of approximately the existing strength will be retained until the end of the year. The Secretary of State desires to support this recommendation.

2. The details of the Estimate have been examined and the rates of pay checked as far as possible and found to be correct, except in the case of Item 9—Oriental Secretary, and Item 75—Provident Fund. In the first case, the provision is overstated by Rs. 700 as a result of allowance having been made for the grant of a further increment to the present occupant, although he reached the maximum of the scale during the current year. In the case of the Provident Fund the correct provision would appear to be Rs. 30,807, and not Rs. 34,900 as shown by the High Commissioner. It is, therefore, proposed to reduce the provision for these items by a total sum of, say, Rs. 4,800.

3. The salaries of the High Commissioner and his personal staff (Private Secretary and Aide-de-Camp) have been reduced in accordance with the terms of Treasury Circular No. 18 of 1931, but, in the case of the other senior officers, the reduction in salary has been set off against the compensation which would have been granted to meet the increased United Kingdom income tax liability arising as a result of their salaries being borne wholly by His Majesty's Government as from the 1st of April, 1931, in accordance with the arrangements set out in the enclosures to the letter from this Office of the 19th of December.* In the case, however, of the local staff and the four British Clerks and Chauffeur, the Board of Inland Revenue have granted exemption from liability to United Kingdom income tax with effect from the 1st of April, 1930, and, in consequence, the Secretary of State is awaiting the High Commissioner's proposals as to whether some reduction in the salaries of these officers ought not to be made. Pending the receipt of definite recommendations in this matter, it is suggested that the provisions inserted should be allowed to stand, more especially as the number of clerks directly affected and the amount of the reductions are likely to be small.

With regard to the Frais de représentation payable to the High Commissioner, provision has been made in the Estimate for the payment of the allowance at the existing rate of Rs. 63,333 (£4,750) per annum. The Secretary of State has, however, recently informed Sir F. Humphrys that, as similar allowances payable to members of the Diplomatic and Consular Services have been reduced under the terms of the Treasury Circular referred to above, it will be necessary to reduce by 10 per cent. the allowance payable in his case as from the 1st of January, 1932. The provision for this item is, therefore, reduced by Rs. 6,333 to Rs. 57,000 per annum.

4. Turning now to the provisions for "Allowances and Services," Their Lordships will note that Sir F. Humphrys has been able to delete the provision hitherto made for horse allowance (Item 54) and secret service (Item 63) and has also effected savings under a number of other heads, although, mainly for the reasons set out in his despatch, increases are necessary under Items 62—rents, 69—fuel and water, and 71—passages. As regards the first-mentioned item, I am to refer to paragraph 10 of the covering despatch and to say that the contributions on account of rent recovered from the officers are appropriated in aid of the Vote, and it is not proposed to disturb this arrangement.

Provision has been made under Items 65, 66, 67, and 69 for the maintenance, &c., of the Residency buildings. In this connexion I am to refer to the letter from this Office of the 2nd of November last,† regarding the question of transfer to His Majesty's Office of Works of the responsibility for the care and maintenance of the Residency, and to state that, as it is understood that the Office of Works are unable to make the necessary arrangements to take over this service before the 1st of April, 1933, the above items will be required in full.

Provision of Rs. 5,000 has also been inserted under Item 66 to allow for work on the reclamation of the additional area recently acquired for the Residency being continued. In this connexion I am to refer to the correspondence ending with the letter

* C. 88442/31 [No. 4]: not printed.

† 343 A/cs. [No. 18]: not printed.

from this Office of the 15th of October last,* from which it will be observed that the total estimated expenditure required for this service is Rs. 10,000. Of this amount it is proposed to expend some Rs. 5,000 during the current year (see statement of Savings and Excesses, Sub-head I.3, enclosed in the letter from this Office of the 13th of January†), and Sir Philip Cunliffe-Lister recommends that the balance of Rs. 5,000 inserted under this item for the completion of the work during the ensuing year should stand.

5. I am now to invite attention to paragraph 9 of the High Commissioner's despatch, from which it will be noted that provision has again been inserted under Item 64 for the payment of a house to office conveyance allowance to certain officers, but that, with the concurrence of the officers concerned, a reduction in the rate of allowance has been made. As the conditions under which the allowance was originally granted have not sufficiently changed to justify its withdrawal, I am to request that Their Lordships may be moved to approve the continuation of the allowance during the next financial year.

6. As regards paragraph 14 of the enclosed despatch, I am to refer to the letter from this Office of the 15th of October,* and to recommend, for Their Lordships' favourable consideration, that, in view of the representations which Sir F. Humphrys has made, provision should be included in the Estimate for the cost of a launch and a squash racquet court. At this date it is suggested that the figures now furnished should be accepted.

7. The total cost of the High Commission (excluding telegrams) is therefore estimated at £45,215, as shown below, and I am now to request that Their Lordships may be moved to approve the estimate at this figure and to insert this amount under Sub-head H.3 of the Vote for Colonial and Middle Eastern Services in place of the provisional figure of £48,000 :—

	Rs.		£
Original Estimate submitted by High Commissioner ...	585,000	=	43,875
Add—Cost of launch and squash court (see paragraph 6)	29,000	=	2,175
			46,050
Less—Over-provision for—			
(*a*) Oriental Secretary	4,800		
(*b*) Provident Fund ... ... (See paragraph 2.)			
(*c*) Frais de représentation ... ... (See paragraph 3.)	6,333		
	Rs. 11,133	=	835
		Provision required ...	£45,215

A statement in the form of Part III of the printed Estimate is enclosed herewith.

8. With regard to the provision of Rs. 36,000 (£2,700) required for the cost of telegrams, I am to state that a figure of £3,500 was inserted under Sub-head K. of the Estimate of the Vote for Colonial and Middle Eastern Services, 1932, to cover the cost of telegrams from 'Iraq and the cost of conveyance of air mails. In view of the fact that the entry of 'Iraq into the League of Nations will probably entail very heavy telegraphic correspondence it is not proposed to recommend any reduction of this provision.

I am, &c.,
J. E. W. FLOOD.

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* No. 39 in Middle East No. 38.

† 191 B.31/32 A/cs. [No. 13] : not printed.

Enclosure in No. 14.

'IRAQ.

H. 3.—HIGH COMMISSIONER, SALARIES AND EXPENSES:

Prior to 1st April, 1931, His Majesty's Government made a contribution of one-half of the salaries and incidental expenses of the High Commissioner and his personal and political staff (including contributions in respect of a Provident Fund), in accordance with the provision of Article XIII of the Financial Agreement made under the Treaty with King Feisal (Cmd. 2120). As from 1st April, 1931, His Majesty's Government agreed to bear the whole cost of the High Commission, made up as follows :—

Numbers. 1931.	Numbers. 1932.		1932. £	1931. £
1	1	High Commissioner .. .. .. (£2,000 and £4,750*)	†6,075	6,750
1	1	Private Secretary .. .. .. (Rs. 900 a month)	† 750	810
1	1	Aide-de-Camp .. .. (Rs. 800 ,,)	† 666	720
1	1	Counsellor .. .. (£3,000)	3,000	3,000
1	1	Financial Secretary (Rs. 1,500—Rs. 100—Rs. 2,300 a month)	2,070	2,042
1	1	Political Secretary (Rs. 1,500—Rs. 100—Rs. 2,300 ,,)	1,998	1,908
1	1	Legal Secretary .. (Rs. 1,500—Rs. 100—Rs. 2,300 ,,)	1,789	1,699
1	1	Oriental Secretary (Rs. 1,300—Rs. 100—Rs. 1,800 ,,)	1,620	1,582
1	1	Consular Secretary .. ..(Rs. 1,000—Rs. 1,800 ,,)	1,575	1,485
1	1	Political Attaché .. .. .. (Rs. 540 ,,)	486	486
4	4	Registrar .. .. .. (Rs. 500—Rs. 950 ,,)	855	855
1	1	British Clerks .. .. .. (Rs. 400—Rs. 600 ,,)	‡2,160	2,106
1	1	Head Translator .. .. (Rs. 500—Rs. 25—Rs. 700 ,,)	630	622
5	5	Head Record Keeper .. (Rs. 400—Rs. 20—Rs. 500 ,,)	417	399
6	6	Clerks—Grade 1 .. .. (Rs. 315—Rs. 15—Rs. 405 ,,)	1,801	1,757
12	11	Grade 2 .. .. (Rs. 240—Rs. 15—Rs. 300 ,,)	1,477	1,421
4	3	Grade 3 .. .. (Rs. 190—Rs. 10—Rs. 230 ,,)	2,144	2,339
1	1	Grade 4 .. .. (Rs. 140—Rs. 10—Rs. 180 ,,)	449	602
35	33	British Chauffeur .. (Rs. 450—Rs. 20—Rs. 650 ,,)	585	579
—	—	Subordinate and menial staff	1,859	1,990
		Miscellaneous expenditure, including maintenance of Residency Buildings and Plant (£2,438); Rent and maintenance of quarters for staff (£1,800): Provident and Service Gratuity Funds and pension contributions (£3,221); laying out of grounds and provision of launch and squash-racket court (£2,550); travelling and incidentals (£2,800)	12,809	12,498
80	76	TOTAL FOR HIGH COMMISSIONER, SALARIES, &c. ..	£45,215	45,650

* Frais de représentation or foreign allowance ; not taxable.

† These emoluments have been reduced in accordance with the terms of Treasury Circular No. 18 of 1931.

‡ One of these clerks receives an allowance of Rs. 50 a month.

C. 96372/32 [No. 4].

No 15.

TREASURY to COLONIAL OFFICE.

(E. 7586/6.)

SIR,

Treasury Chambers, 26th March, 1932.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Flood's letter of the 16th January last,* transmitting copy of a despatch from the High Commissioner for 'Iraq and enclosing a detailed estimate of the provision to be made in the Vote for Colonial and Middle Eastern Services, 1932, in respect of the cost of the High Commission.

2. In reply I am to request you to inform the Secretary of State for the Colonies that, in so far as the Estimate relates to staff, My Lords agree to the provision proposed, and They will await the proposals for reducing the salaries of the local staff and of the

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* No. 14.

four British Clerks and Chauffeur to which reference is made in paragraph 3 of the letter under reply.

3. With regard to the maintenance, &c., of the Residency buildings, My Lords agree that provision for the full year should be taken in the Colonial and Middle Eastern Estimate, 1932.

4. As regards the work on the reclamation of the additional area recently acquired for the Residency, Their Lordships agree that half of the work should be carried out and paid for (at a cost of £375) in the course of the current year, and that for the purpose of completing the work in 1932 provision for the sum of £375 should be included in the Estimate under consideration.

5. My Lords approve the provision of a sum of £1,500 for the cost of a motor-launch They regret, however, They are unable to approve any provision in the Estimate for the cost of constructing a squash-rackets court.

6. Their Lordships have accordingly caused provision to be made in respect of this service under Class II 9, Sub-head H.3 of the Estimates for the year 1932, amounting to £44,540.

7. With regard to the cost of telegrams and the cost of conveyance of bags, My Lords agree that a sum of £4,000 be provided in the Estimate, under Sub-head K.

I am, &c.,
R. R. SCOTT.

Sub-head H.4.—Contribution to 'Iraq Army (Grant-in-Aid).

C. 88074/31 [No. 33].

No. 16.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 20.]

Downing Street, 30th October, 1931.

SIR,

I AM directed by Mr. Secretary Thomas to state, for the information of the Lords Commissioners of the Treasury, that he has had under consideration the question of the provision to be made in the Colonial and Middle Eastern Services Estimates for 1932 in respect of the contribution to the 'Iraq Government to assist in the maintenance of the 'Iraq Army.

2. As Their Lordships are aware, when 'Iraq is admitted to the League of Nations, the 1930 Treaty will come into operation. Article 5 of the Annexure to the Treaty provides that the cost of facilities granted to 'Iraq by His Majesty's Government for naval, military, and aeronautical instruction will be met by His Majesty the King of 'Iraq. On the assumption that 'Iraq will be admitted to the League of Nations in September, 1932, only one-half of the estimated cost of the British military mission for a full year, plus one month's carry-over, will be required. Mr. Thomas considers, however, that it would be advisable to allow a small amount, say, a sum equivalent to one month's contribution, to meet any contingencies which might arise.

3. It is accordingly proposed, subject to Their Lordships' approval, to insert a sum of £40,000 under Sub-head H.4 of the draft Estimate for Colonial and Middle Eastern Services, 1932, in respect of the contribution to the 'Iraq Government to assist in the maintenance of the 'Iraq Army. This amount is calculated as follows:—

	£
Grant for 6 months to 30th September, 1932, at the present rate of 8 lakhs per annum	30,000
Carry-over in respect of the contribution for the month of March, 1932, due to payment in arrear	5,000
Provision to meet contingencies	5,000
	£40,000

I am, &c.,
J. H. HALL.

C. 96374/32 [No. 1].

No. 17.

'IRAQ.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 4.20 p.m., 19th January, 1932.)

TELEGRAM.

[*Answered by No.* 18.]

18TH JANUARY. No. 23. My despatch of the 16th December, No. 1226.* Shall be glad to receive information for 'Iraqi budget purposes of amount which is being inserted in Imperial Estimates as grant towards maintenance of 'Iraqi Army for the coming financial year. Until composition of future Military Mission is settled I cannot give a detailed estimate of amount required. On the assumption that grant will cover full cost of the present Mission until the entry of 'Iraq into the League and terminal charges of personnel who will not form part of Advisory Mission to be employed at the expense of 'Iraq thereafter, amount required, including "lag" from this year, should not exceed 6½ lakhs of rupees.

C. 96374/32 [No. 2].

No. 18.

'IRAQ.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 1 p.m., 25th January, 1932.)

TELEGRAM.

[*Answered by No.* 19.]

No. 31. YOUR telegram No. 23 of 18th January.† A purely provisional figure of £40,000 has been recommended to Treasury for insertion in Imperial Estimates 1932 made up as follows:—

	£
(*a*) Six months' grant to the 30th September at rate of 8 lakhs per annum	30,000
(*b*) Lag from this year	5,000
(*c*) Contingencies	5,000

I will telegraph further what amount is finally approved. In the meantime please say on what grounds you recommend that terminal charges of present Mission after entry of 'Iraq into the League should be borne by His Majesty's Government. Presumably when composition of future Mission is settled requisite notice will be given to personnel not required in order that terminal charges may be reduced to minimum.—CUNLIFFE-LISTER.

C. 96374/32 [No. 4].

No. 19.

'IRAQ.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 4.20 p.m., 3rd February, 1932.)

TELEGRAM.

No. 48. 2ND FEBRUARY. Your telegram No. 31.‡ Cost of existing Military Mission is a British responsibility, and 'Iraq will not willingly accept liability for any part of its cost. The terminal charges of those members of it who are not accepted by 'Iraqi Government as members of Advisory Mission to be employed at their expense will thereby be an Imperial liability. Action will be taken to keep expenditure within amount you name, and wherever possible to dispense with the services of surplus officers as soon as composition of future Advisory Mission is settled.

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* C. 88074/31 [No. 35]: not printed. † No. 17. ‡ No. 18.

C. 96374/32 [No. 6].

No. 20.

TREASURY to COLONIAL OFFICE.

[*Answered by No.* 21.]

(S. 17977/010.)

SIR, Treasury Chambers, 15th February, 1932.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Hall's letter of the 30th October, 1931,* on the subject of the provision to be made in the Colonial and Middle Eastern Services Estimate, 1932, in respect of the contribution to the 'Iraq Government to assist in the maintenance of the 'Iraq Army (Sub-head H.4).

In reply I am directed to request you to inform the Secretary of State that My Lords approve the provision of the sum of £40,000 under Sub-head H.4 of the Estimate to be submitted to Parliament.

I am, &c.,
R. V. NIND HOPKINS.

C. 96374/32 [No. 10A].

No. 21.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 22.]

SIR, Downing Street, 23rd March, 1932.

WITH reference to your letter No. S. 17977/010 of the 15th of February,† I am directed by Secretary Sir Philip Cunliffe-Lister to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch‡ from the High Commissioner for 'Iraq regarding the incidence of the cost of the British Military Mission for the financial year 1932-33.

2. As Their Lordships are aware, a sum of £40,000 has been included in the Colonial and Middle Eastern Services Estimate for 1932 as a grant-in-aid to the 'Iraqi Government to assist in the maintenance of the Army. This amount is made up as follows:—

	£
Subvention at the rate of 8 lakhs per annum for six months up to 30th September, 1932	30,000
"Lag" from 1931	5,000
Contingencies	5,000
Total ...	£40,000

3. Sir Philip Cunliffe-Lister considers, and Their Lordships will, no doubt, agree, that although the 'Iraqi Government has been in receipt of a grant-in-aid towards the cost of the maintenance of the 'Iraq Army, which grant was specifically limited in amount in 1930, to the cost to the 'Iraqi Government of the British officers employed in the 'Iraq Army, the cost of the British Military Mission itself is a liability of the 'Iraqi Government. It follows accordingly that all the charges consequent upon the termination of the appointments of a number of British officers, such as the pay of those who cannot be absorbed at once into their British Regiments, are also a liability of the 'Iraqi Government.

4. This view is, however, not shared by the Acting High Commissioner for 'Iraq, who, in his telegram of the 2nd of February, 1932,§ a copy of which was forwarded to the Treasury on the 8th of February,‖ stated that the cost of the existing Military Mission is a British responsibility, and that 'Iraq will not willingly accept liability for any part of its cost. He further stated that the terminal charges of those members of it who are not accepted by the 'Iraqi Government as members of the Advisory Mission to be employed for the future at their expense will thereby be an Imperial liability.

5. Sir Philip Cunliffe-Lister would therefore propose, if Their Lordships agree, to authorize the High Commissioner to inform the 'Iraqi Government that the view expressed in this telegram cannot be accepted, commenting as in the third paragraph of this letter.

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* No. 16. † No. 20. ‡ C. 96374/32 [No. 10] : not printed. § No. 19.
‖ C. 96374/32 [No 5] : not printed.

6. Although the Acting High Commissioner has stated that action will be taken to keep expenditure on the existing Mission within the sum of £40,000 provided in the Estimates for 1932, the position in regard to the terminal charges in respect of officers awaiting absorption is very uncertain, involving, as it does, a maximum liability of twelve months' pay and allowances in each case.

7. Having regard to this factor, Sir Philip Cunliffe-Lister is of opinion that it would not be unreasonable, on condition that the 'Iraqi Government accepts the position as stated in the third paragraph of this letter and gives an undertaking to bear all terminal charges, to pay over to that Government in 1932, in monthly instalments of £5,000, the full sum of £40,000 provided in the Estimates, and I am to ask that Their Lordships may be moved to concur in this proposal.

8. Under the conditions on which they are serving, regular officers are not eligible for any gratuity or compensation owing to the premature termination of their contracts, and if the 'Iraqi Government consider that some compensation would be justified, the liability for such compensation will fall upon them. Officers are, however, entitled to three months' notice of the termination of their appointments, and the proposal made above will, no doubt, act as a stimulus to the 'Iraqi Government to come to a final decision in regard to the strength of the future Mission, and to give those officers who are not to be retained early notice of the termination of their appointments.

I am, &c.,
J. E. W. FLOOD.

C. 96374/32 [No. 16].

No. 22.

TREASURY to COLONIAL OFFICE.

[*Answered by No.* 24.]

(S. 17977/010.)

SIR, Treasury Chambers, 4th April, 1932.

THE Lords Commissioners of His Majesty's Treasury have had before Them Mr. Flood's letter of the 23rd ultimo,* together with a copy of a despatch from the High Commissioner for 'Iraq regarding the incidence of the cost of the British Military Mission for the financial year 1932-33.

2. In reply I am directed to request you to inform the Secretary of State that My Lords agree that although the 'Iraqi Government has been in receipt of a grant-in-aid towards the cost of the maintenance of the 'Iraq Army, which grant was specifically limited in amount in 1930 to the cost to the 'Iraqi Government of the British officers employed in the 'Iraq Army, the cost of the British Military Mission itself is a liability of the 'Iraqi Government, and that all the charges consequent upon the termination of the appointments of a number of British officers, such as the pay of those who cannot be absorbed at once into their British Regiments, are also a liability of the 'Iraqi Government.

3. On the question of liability therefore My Lords concur in Sir Philip Sir Cunliffe-Lister's proposal to authorize the High Commissioner to inform the 'Iraqi Government that His Majesty's Government do not accept the view expressed in Mr. Young's telegram, No. 48, of the 2nd February, 1932.†

4. With reference to paragraphs 6-8 of the letter under reply, I am to state that My Lords trust that the provision of £40,000 will suffice to meet all expenditure towards which His Majesty's Government is responsible to contribute in respect of the maintenance and the termination of the Military Mission in the course of the year 1932. Their Lordships cannot contemplate the submission to Parliament of a request for any further provision from United Kingdom funds for such expenditure.

5. Their Lordships recognize, however, the difficulties in reaching a satisfactory and fair conclusion of the matter in concert with the 'Iraqi Government; and provided therefore that agreement as regards liability is reached with the 'Iraqi Government in accordance with the view stated in paragraph 2 of this letter, and provided the 'Iraqi Government undertakes to bear all terminal charges, My Lords are prepared to approve payment to that Government, in monthly instalments of five thousand pounds, of the full amount of the contribution of forty thousand pounds provided under Sub-head H.4 of the Colonial and Middle Eastern Estimates, 1932.

I am, &c.,
F. PHILLIPS.

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* No. 21. † No. 19.

C. 96374/32 [No. 24].

No. 23.

'IRAQ.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by Nos.* 27 *and* 28.]

(Confidential (2).)

Downing Street, 5th May, 1932.

SIR

WITH reference to my telegram No. 111 of the 2nd May,* I have the honour to inform you that the proposals contained in your Confidential "A" despatch of the 10th March† regarding the strength of the British Military Mission which is to be retained after 'Iraq's admission to the League of Nations have been considered in consultation with the Air Council and the Army Council, and I now enclose, for your information, a copy of a letter‡ from the Air Ministry on the subject.

2. The Inspector-General recommended that, exclusive of the Royal 'Iraqi Air Force Inspectorate, the Mission should consist of 13 British officers. The Minister of Defence, however, considered that two of these appointments were not necessary, namely, the Inspector, Intelligence Branch, and the Assistant Inspector, Quartermaster-General's Branch. You will observe from the accompanying letter from the Air Ministry that the Army Council, while they share the view of the Inspector-General as to the need for providing for all the inspectional services referred to, consider that, having regard to the present size of the 'Iraq Army, it should be possible, by combining the functions of certain officers, to meet all inspectional requirements with a total cadre of 11 officers. I shall be glad if you will now enter into negotiations with the 'Iraqi Government on the basis of the proposals contained in the Air Ministry letter, and will inform me of the result in due course.

3. With regard to the financial aspect of the question, you will have realized from my telegram No. 113 of the 5th May§ that His Majesty's Government consider that all charges consequent upon the termination of the appointments of those officers whose services are not to be retained should be a liability of the 'Iraqi Government, and that, provided that the 'Iraqi Government undertakes to bear all such charges, the full amount of the contribution of £40,000 which has been provided in this year's Estimates may be paid over in monthly instalments of £5,000. I now enclose, for your information, a copy of a letter‖ from the Treasury on the subject. I am seeking Their Lordships' concurrence in the payment of the instalment on account of the grant-in-aid which fell due on the 1st of May and payment of the instalment which becomes due next month; but, as the continued payment of instalments will depend upon the 'Iraqi Government's acceptance of liability for the terminal charges, I shall be glad if you will inform me by telegraph when that acceptance is obtained.

4. The question as to the manner in which the reduction in the strength of the Mission can best be achieved will be a matter for the decision of the 'Iraqi Government, and no objection will be raised by His Majesty's Government to immediate steps being taken to terminate, in accordance with the conditions of their service, the appointments of those British officers whose services are not to be retained.

5. I take this opportunity to acknowledge the receipt of your Confidential despatch of the 13th of April,¶ and to inform you that the Army Council are being requested to arrange for the reversion of the following officers to the British Army with effect from the dates given :—

Major E. G. Turner, D.S.O., R.A., V.C., 11th August, 1932.
Captain W. J. F. Rassie, R.A.S.C., 24th October, 1932.
Lieutenant J. B. Pemberton, 14th/20th Hussars, 4th August, 1932.

I shall be glad to receive early intimation of the dates from which the other regular officers who are not to be retained will be available for reversion to the British Army.

I have, &c.,
P. CUNLIFFE-LISTER.

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* C. 96374/32 [No. 21] : not printed.
† C. 96374/32 [No. 12] : not printed.
‡ C. 96374/32 [No. 19] : not printed
§ C. 96374/32 [No. 23] : not printed.
‖ No. 22.
¶ C. 96374/32 [No 20] : not printed.

C. 96374/32 [No. 26].

No. 24.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 25.]

SIR,

Downing Street, 6th May, 1932.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to your letter No. S. 17977/010 of the 4th of April,* regarding the incidence of the cost of the British Military Mission in 'Iraq for the financial year 1932-33, and to state, for the information of the Lords Commissioners of the Treasury, that the High Commissioner for 'Iraq has now been instructed to inform the 'Iraqi Government that His Majesty's Government consider that all the charges consequent upon the termination of the appointments of those officers whose services are not to be retained are a liability of the 'Iraqi Government, and that provided that the 'Iraqi Government undertake to bear all such charges, the full amount of the contribution of £40,000 provided under Sub-head H.4 of the Colonial and Middle Eastern Services Vote for 1932 will be paid in monthly instalments of £5,000. It was not possible to instruct the High Commissioner at an early date, as it was considered necessary to consult the Air Ministry in view of the possibility that the course proposed might result in an early and substantial reduction of the effective strength of the British Military Mission.

2. Sir Philip Cunliffe-Lister understands that Their Lordships feel some doubt as to the desirability of paying instalments on account of the contribution before the formal acceptance by the 'Iraqi Government of liability for the terminal charges has been obtained, their view being that, if a portion of the contribution had already been paid over, there would be the less inducement to the 'Iraqi Government to accept this liability. For the following reasons the Secretary of State differs from this view and considers that, at all events, the instalments falling due on the 1st of May and the 1st of June should be issued.

3. So far as the Secretary of State is aware, the matter has not yet been placed before the 'Iraqi Government, and there are as yet no grounds to assume that serious difficulty will be experienced in obtaining their acceptance of these terminal charges. Their Lordships will recollect, moreover, that the sum of £40,000 provided in the Vote was calculated as being sufficient both to meet the cost of the Mission up to end of September, 1932, and to leave a balance available to meet additional charges. With a view to minimizing such charges, steps have already been taken to terminate the contracts of five officers who will not be included in the Military Mission contemplated in the Fourth Exchange of Notes appended to the Anglo-'Iraqi Treaty of 1930.

4. In the opinion of the Secretary of State, to withhold payments on account of the contribution before the 'Iraqi Government have ever been approached upon the subject, and thus in effect to present an ultimatum before any need for pressure has been disclosed, would be difficult to reconcile with the requirements of international courtesy and would be calculated to arouse the keenest resentment on the part of the 'Iraqi Government. Such action would, moreover, be liable to cause the 'Iraqi Government, who have every reason to expect that monthly instalments of the subsidy will be placed to their credit at the Crown Agents for the Colonies, some embarrassment in meeting charges incurred on account of the purchase of supplies in this country.

The effect would be to create in 'Iraq a most unfavourable atmosphere, which might imperil the success of the negotiations which are about to open between the High Commissioner and the 'Iraqi Government to determine the strength of the Military Mission which is to be retained after the admission of 'Iraq into the League of Nations; negotiations to which the Secretary of State and, as he understands, the Air Council attach the greatest importance.

5. Moreover, if contrary to expectation, the 'Iraqi Government should refuse to accept responsiblity for the terminal arrangements, the situation will admit of a simple remedy, since it would always be open to His Majesty's Government to withhold later instalments on account of the contribution.

6. In view of these considerations, Sir Philip Cunliffe-Lister trusts that Their Lordships will be moved to agree that at least the first two instalments on account

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* No. 22.

of the subsidy should be paid over to the 'Iraqi Government. As one instalment became due on the 1st of May, I am to request that a very early reply may be returned to this letter.

7. A copy of this letter is being sent to the Air Ministry.

I am, &c.,
J. H. HALL.

C. 96374/32 [No. 30].

No. 25.

TREASURY to COLONIAL OFFICE.

[*Answered by No.* 30.]

(S. 17977/010.)

SIR, Treasury Chambers, 14th May, 1932.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Hall's letter of the 6th instant,* relative to the grant of £40,000 in the course of the present year in aid of the maintenance of the 'Iraq Army, and in reply I am directed to request you to inform the Secretary of State that in deference to his representations My Lords approve payment to the 'Iraq Government of the first two monthly instalments of the grant, notwithstanding that the formal acceptance by that Government of liability for terminal charges has not yet been obtained. Their Lordships trust, however, that there will be no question but that the 'Iraq Government's acceptance will be forthcoming, as They cannot contemplate the presentation to Parliament of a Supplementary Estimate to add to the provision already made.

I am, &c.,
R. V. NIND HOPKINS.

C. 96374/32 [No. 32].

No. 26.

SIR F. H. HUMPHRYS (HIGH COMMISSIONER FOR 'IRAQ)

to

NURI PASHA AL SA'ID (PRESIDENT OF THE COUNCIL OF MINISTERS, 'IRAQ).

(Copy received in Colonial Office, 20th June, 1932.)

(No. P.O. 86.)

MY DEAR PRIME MINISTER, The Residency, Baghdad, 30th May, 1932.

WILL Your Excellency please refer to Mr. Sturges' letter dated the 31st of March, 1932, to the Rais of the Royal Diwan, in which it is stated that the future composition of the British Military Mission is a matter which falls to be negotiated between the 'Iraqi Government and His Majesty's Government in the United Kingdom in accordance with the provisions of the Notes on the subject of the 30th of June, 1930, attached to the Treaty of that date.

2. I have now received the views of His Majesty's Government on this subject, and am now prepared to agree to the proposal contained in Confidential letter No. 175 dated the 19th of March, 1932, from the Ministry of Defence to the Secretary to the Council of Ministers, that the number of officers of the British Military Mission shall be fixed at 11, plus one non-commissioned officer, exclusive of the British officers and non-commissioned officers to be employed with the Royal 'Iraqi Air Force, although the designation and grades of the officers as set out in Schedule C attached to that letter may need revision in consultation with the Inspector-General of the 'Iraqi Army. I also wish to support the Inspector-General's application for the inclusion of one Confidential Clerk in the clerical cadre of the Mission.

3. It is considered that, having regard to the present size of the 'Iraqi Army, it should be possible to meet all inspectional requirements with a cadre of this size, but it should be understood that, in the event of the introduction of conscription and of a considerable increase in the size of the Army, the question of adequacy of the cadre of 11 officers will need to be reconsidered.

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* No. 24.

4. With regard to the grades and rates of pay of these officers, I wish to invite the attention of Your Excellency to the undertaking contained in the letter of the 30th of June, 1930, already referred to above, that the conditions of service of the officers to be employed in the Advisory Military Mission shall be similar to those of the Military Mission.

5. A separate letter is being sent to the 'Iraqi Government regarding the financial aspect of this question in so far as it relates to the grant-in-aid to be paid by His Majesty's Government towards the cost of the 'Iraqi Army for the current year.

6. The question as to the manner in which the reduction in the strength of the Mission can best be achieved will be a matter for the decision of the 'Iraqi Government, and no objection will be raised to immediate steps being taken to terminate, in accordance with the conditions of their service, the appointments of those British officers whose services are not to be retained.

7. I shall be glad to be informed, as soon as possible, whether the 'Iraqi Government accept the proposals outlined above for the composition of the future Advisory Military Mission.

I have, &c.,
F. H. HUMPHRYS.

C. 96374/32 [No. 34].

No. 27.

'IRAQ.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 27th June, 1932.)

(Confidential, A.)

SIR, The Residency, Baghdad, 13th June, 1932.

I HAVE the honour to transmit to you, for information, copies of a memorandum* from the Inspector-General, 'Iraqi Army, Baghdad, memorandum to the Secretary to the Council of Ministers, Baghdad, and a memorandum* to the Inspector-General, 'Iraqi Army, Baghdad, on the subject of the proposed cadre of the future Advisory Military Mission.

I have, &c.,
F. H. HUMPHRYS.

Reference to previous correspondence: Secretary of State's despatch Confidential (2) dated the 5th May, 1932.†

Enclosure 2 in No. 27.

(Confidential.)
(No. S.O. 810.) Secretariat of H.E. the High Commissioner for 'Iraq, Baghdad, 13th June, 1932.

MEMORANDUM.

I AM directed by His Excellency the High Commissioner to forward herewith, in continuation of Sir Francis Humphrys' letter to His Excellency Nuri Pasha al Sa'id No. P.O. 86 dated the 30th of May, 1932, a copy of the revised cadre of the Advisory Military Mission which has been prepared, in accordance with the principles enunciated in that letter, by the Inspector-General, 'Iraqi Army. His Excellency will be glad to be informed if the 'Iraqi Government agree to the cadre as now revised.

F. E. STAFFORD,
Financial Secretary to H.E. the
High Commissioner for 'Iraq.

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* Not printed.

† No. 23.

British Military Mission attached 'Iraqi Army.

Strength of the Mission subsequent to 1st October, 1932.

	Appointment.	*Rate of pay.* Rs.
1.	Inspector-General	3,200
	Inspector G.S. Branch	2,100
	,, Q.M.G. ,, ...	2,100
	,, Staff School and 'I.R.M.C.	2,100
	,, Artillery	1,800
	,, Cavalry and Liaison Officer, S. District	1,800
	Liaison Officer Northern and Eastern Districts	1,800
	Inspector Signals	1,500
	,, Armoured Cars and M.T.	1,500
	,, Ordnance and O.M.E.	1,500
	Assistant Staff Officer, H.Q.	1,500
	Non-Commissioned Officer for training Ordnance Apprentices ...	500
2.	*Air Force Inspectorate.*	
	Inspector Air Force	1,950
	Assistant Inspectors, Air Force, 2 at Rs. 1,500	3,000
	Flight Sergeant	670
	Sergeant Rigger	590
	,, Fitter	590
	Corporal Rigger	490
	,, Fitter	490
3.	*Clerical and Menial Establishment.*	
	Confidential Clerk	585
	Translators, 2 at Rs. 270	540
	Clerk Translator	270
	Syces, 12 at Rs. 35	420
	Farrashes, 5 at Rs. 40	200

C. 96374/32 [No. 37].

No. 28.

'IRAQ.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 2.29 p.m., 12th July, 1932.)

TELEGRAM.

[*Answered by No.* 29.]

(Paraphrase.)

12TH JULY. Reference your Confidential despatch of 5th May.* Following my? telegram of 11th February. Resolution has been passed by Prime Minister Council of Ministers approving cadre of Advisory Military Mission at 14 officers including three from Royal Air Force on similar terms of service to those of present Mission. Cadre to be reconsidered every three years.

This appears to be satisfactory and I propose to agree with Prime Minister accordingly vide ? letter (4) attached to new Treaty.

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* No. 23.

C. 96374/32 [No. 47].

No. 29.

'IRAQ.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 11.10 a.m., 4th August, 1932.)

TELEGRAM.

(Paraphrase.)

No. 193. WITH reference to your telegram 12th July,* regarding the British Military Mission. His Majesty's Government agree to cadre of fourteen.—HAMILTON.

C. 96374/32 [No. 48].

No. 30.

COLONIAL OFFICE to TREASURY.

SIR, Downing Street, 5th August, 1932.

WITH reference to Treasury letter of the 14th of May, No. S. 17977/010,† and previous correspondence concerning the grant of £40,000 during the current year in aid of the maintenance of the 'Iraq Army, I am directed to transmit to you, to be laid before the Lords Commissioners of His Majesty's Treasury, the enclosed copy of a telegram‡ from the High Commissioner for 'Iraq, together with a copy of the semi-official letter§ to which it refers.

2. In view of the fact that Sir Francis Humphrys proposes to leave Baghdad on the 5th of August, the matter has been discussed with officers of Their Lordships' Department in advance of official reference, and, as a result, the High Commissioner has been informed that his proposals are accepted. A copy of the telegram‖ addressed to him is enclosed.

3. I am to ask that official notification of Their Lordships' approval may be conveyed to this Department in due course.

I am, &c.,
J. E. W. FLOOD.

C. 96374/32 [No. 52].

No. 31.

'IRAQ

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 15th August, 1932.)

[*Answered by No.* 32.]

(Confidential B.)

SIR. The Residency, Baghdad, the 3rd August, 1932.

I HAVE the honour to transmit to you, for information, a copy of correspondence with the 'Iraqi Prime Minister on the subject of the approval of the 'Iraqi Government to the cadre of the future Advisory Military Mission.

I have, &c.,
F. H. HUMPHRYS.

Reference to previous correspondence: High Commissioner's despatch Confidential, dated the 25th of July, 1932.¶

Enclosure 1 in No. 31.

(Confidential.)
(No. 3085.)

SIR, Office of the Council of Ministers,
Baghdad, 2nd August, 1932.

I HAVE the honour to refer to my letter of the 30th of June, 1930, in which I informed Your Excellency that it was the intention of the 'Iraqi Government, in

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* No. 28. † No. 25. ‡ C. 96374/32 [No. 41]: not printed.
§ C. 96374/32 [No. 13]: not printed. ‖ No. 29. ¶ C. 96374/32 [No. 50]: not printed.

view of their desire to improve the efficiency of their land and air forces, to ask for a British Advisory Military Mission, the numbers of which would be decided before the Treaty comes into force.

I now write to inform you that the 'Iraqi Government have decided, after consultation with Your Excellency, that the number of British officers comprising the Mission shall be eleven, and that three officers and five non-commissioned officers will be employed in addition for service with the 'Iraqi Air Force. The terms of service for the officers and non-commissioned officers will be similar to those of the members of the present Mission, and the designations of the officers will be decided by agreement between the Minister for Defence and the Head of the Mission. The 'Iraqi Government propose to reconsider the composition of the cadre once every three years

I have, &c.,
NURI SA'ID

His Excellency
Sir Francis H. Humphrys,
G.C.M.G., G.C.V.O., K.B.E., C.I.E.,
His Britannic Majesty's Government
High Commissioner for 'Iraq, Baghdad.

Enclosure 2 in No. 31.

(Confidential.)
(No. P.O. 111.)

SIR, The Residency, Baghdad, 3rd August, 1932.

I HAVE the honour to acknowledge the receipt of Your Excellency's letter No. 3085, dated the 2nd of August, 1932, conveying the 'Iraqi Government's decision on the subject of the numbers of the British Advisory Military Mission which they intend to invite to 'Iraq.

I have, &c.,
F. H. HUMPHRYS,
High Commissioner for 'Iraq

His Excellency
Nuri Pasha Al Sa'id, C.M.G., D.S.O ,
President of the Council of Ministers,
Baghdad.

C. 96374/32 [No. 53].

No. 32.

'IRAQ.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE

(Received 24th August, 1932.)

(Confidential.)

SIR, The Residency, Baghdad, the 13th August, 1932.

I HAVE the honour to refer to correspondence ending with Sir Francis Humphrys' despatch Confidential B, dated the 3rd of August, 1932,* on the subject of the cadre of the future Advisory Military Mission for service with the 'Iraqi Army.

2. The agreement with the 'Iraqi Government provided that the designations of the officers of the Mission and their grades should be left for settlement between the Minister of Defence and the Inspector-General of the 'Iraqi Army. I attach a copy of a letter from the Inspector-General which records the designations and grades of the eleven officers who will form the Mission, to which he and the Minister of Defence have agreed. The three officers from the Royal Air Force, who bring the total up to fourteen officers, are not included in the list, as they are the subject of special arrangements.

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* No. 31.

3. I concur in these proposals and suggest that, as requested by the Inspector-General, a copy of the list should be sent to the War Office for record.

I have, &c.,
E. R. LUDLOW-HEWITT,
Acting High Commissioner for 'Iraq.

Enclosure in No. 32.

(Confidential.)

Ministry of Defence, Baghdad, 10th August, 1932.

REFERENCE your No. S.O. 999 of the 25th July, 1932, the following are the designations of appointments to the British Military Mission to which the Minister of Defence and I have agreed.

	Grade.
Inspector-General	A
Inspector, G.S. Branch	B
,, Q.M.G. ,, ...	B
,, Staff School and I.R.M.C. ...	B
,, Artillery	C
,, Cavalry	C
Liaison Officer, Northern and Eastern Districts	C
Inspector Signals	D
,, Armoured Cars and M.T. ...	D
,, Ordnance and O.M.E ...	D
Assistant Inspector, A.H.Q. ...	D

I would be grateful if a copy of this list might be sent to the War Office for information.

H. ROWAN-ROBINSON,
Major-General,
Inspector-General, 'Iraq Army.

The Secretary to His Excellency
The High Commissioner for 'Iraq, Baghdad.

C. 96374/32 [No. 56].

No. 33.

'IRAQ.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 29th August, 1932.)

[*Answered by No.* 34.]

(No. 809.)

SIR, The Residency, Baghdad, 17th August, 1932.

I HAVE the honour to forward herewith a copy of correspondence between the High Commission and the 'Iraqi Government regarding the payment of the subsidy towards the cost of the 'Iraqi Army for the current financial year.

2. You will observe that the 'Iraqi Government have agreed that the amount of subsidy to be paid during the financial year shall consist of six monthly payments of £5,000 each, plus a final payment before the end of the financial year, to cover the actual cost of the Mission computed according to the formula contained in the High Commission memorandum No. 6474 dated the 3rd of August, 1932.* I shall be glad, therefore, if arrangements can be made to pay further monthly instalments of the subsidy up to a total of £30,000.

I have, &c.,
E. R. LUDLOW-HEWITT,
Acting High Commissioner for 'Iraq.

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* C. 96374/32 [No. 54] : not printed.

Enclosure 1 in No. 33.

(No. 2752.) Secretariat of the Council of Ministers.
Baghdad, 5th July, 1932.

To the Financial Secretary to
His Excellency the High Commissioner for 'Iraq,
Baghdad.

REFERENCE your letter No. S.O.759 dated 31st May, 1932, regarding the grant-in-aid towards the cost of the British Military Mission for the current financial year.

I am directed to inform you that as it is His Britannic Majesty's Government who are bearing the cost of the British Military Mission and who will bear it up to the date of the coming into force of the Treaty of 1930, the 'Iraqi Government consider that the British Government should pay to the 'Iraqi Treasury the balance of the actual expenditure brought forward from last year, as well as the actual expenditure for the period from 1st April, 1932, up to the date of putting into force of the new Treaty, together with all the final expenditure of whatever nature it may be, plus any compensation which may be regarded as acceptable for the British officers whose appointments in the Military Mission will not be required and whose services will be terminated.

It is now difficult to prepare an account for the actual expenditure to be incurred during this year. Therefore, the 'Iraqi Government propose that the sum of £40,000 referred to in your letter should be considered as an advance, provided that a final settlement of accounts should be made when the amount of the actual expenditure referred to above has been known. If the expenditure exceeds the sum in question, the balance should then be paid by His Britannic Majesty's Government, otherwise, the amount in excess would be refunded to them.

'ABDUL QADIR RASHID,
Secretary to the Council of Ministers.

Enclosure 2 in No. 33.

Secretariat of His Excellency the High Commissioner for 'Iraq.
Baghdad, 19th July, 1932.

(No. 6047.)
To the Secretary to
the Council of Ministers,
Baghdad.

Memorandum.

I AM directed by His Excellency the High Commissioner to acknowledge receipt of your letter No. 2752 dated the 5th of July, 1932, regarding the grant-in-aid to be paid towards the cost of the 'Iraqi Army for the current financial year, and to inform you, for the information of His Excellency the Prime Minister, that the matter has been referred to His Majesty's Government in the United Kingdom. A further reply will be sent in due course.

F. E. STAFFORD,
Financial Secretary to
His Excellency the High Commissioner for 'Iraq.

Enclosure 3 in No. 33.

Secretariat of His Excellency the High Commissioner for 'Iraq,
Baghdad, 3rd August, 1932.

(No. 6474.)
To the Secretary to
the Council of Ministers,
Baghdad.

Memorandum.

I AM directed by His Excellency the High Commissioner to refer to my memorandum No. 6047, dated the 19th of July, 1932, in which I informed you that the question of the payment of the subsidy towards the cost of the 'Iraqi Army for the

current financial year had been referred to His Majesty's Government in the United Kingdom.

2. His Excellency now wishes me to inform you, for the information of His Excellency the Prime Minister, that His Majesty's Government in the United Kingdom accept the proposal contained in your letter No. 2752 dated the 5th of July, 1932, to the effect that the amount to be paid during the current financial year shall be the actual cost of the Military Mission up to the date of the coming into force of the Anglo-'Iraq Treaty of 1930, including—

(*a*) the terminal charges of those officers of the present Military Mission whose services will not be required with the Advisory Mission, and
(*b*) the amount still due to the 'Iraqi Government in respect of the subvention for the past financial year.

3. In order to carry out this arrangement, monthly payments of the subsidy at the rate of £5,000 will provisionally be made up to a total of £30,000, and the final payment of the balance due to the 'Iraqi Government, based upon the accounts then available, will be made before the end of the current financial year.

4. In view of this arrangement, His Excellency requests that instructions may be given that no payment of an extra-contractual nature will be made to, or on behalf of, any British officer of the present Military Mission without the prior concurrence of the High Commission.

5. I shall be glad to receive confirmation of the arrangement outlined in this memorandum as soon as possible.

F. E. STAFFORD,
Financial Secretary to
His Excellency the High Commissioner for 'Iraq.

Enclosure 4 in No. 33.

(No. 3165.) Secretariat of the Council of Ministers,
Baghdad, 10th August, 1932.

To the Financial Secretary to
His Excellency the High Commissioner for 'Iraq,
Baghdad.

REFERENCE your letter No. 6474 dated 3rd August, 1932, regarding the cost of the British Military Mission.

I am directed to inform you that the 'Iraqi Government agree to the arrangements suggested in your above-mentioned letter.

'ABDUL QADIR RASHID,
Secretary to the Council of Ministers.

C. 96374/32 [No. 57].

No. 34.

'IRAQ.

THE SECRETARY OF STATE to THE ACTING HIGH COMMISSIONER.

(No. 475.)

SIR, Downing Street, 10th September, 1932.

I HAVE the honour to acknowledge the receipt of Air Vice-Marshal Ludlow-Hewitt's despatch of the 17th of August, No. 809,* regarding the payment of the grant-in-aid towards the maintenance of the 'Iraq Army, and in reply to inform you that, as notified to you from time to time, six instalments of £5,000 each (or £30,000 in all) have so far been issued to the credit of the account of the Government of 'Iraq with the Crown Agents for the Colonies from the current year's Estimate provision of £40,000.

2. A sum of £10,000 is therefore left available to meet any excess of the actual cost of the British Mission for the years 1931-32 and 1932-33 over the sum of £85,000 issued for those years (viz., £55,000 issued in 1931-32 and £30,000 in 1932-33). No

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* No. 33.

further payment will accordingly be made on this account pending the receipt of an audited statement of the actual expenditure during 1931-32, and a statement of the estimated expenditure in 1932-33. The former statement, which should be in a similar form to that enclosed in Sir Francis Humphrys' despatch, No. 202, of the 2nd of March, 1932,* should be forwarded to me as soon as possible, while the latter statement should reach me shortly before the 31st of March, 1933, in order that any further issue that may be necessary can be made before that date from the provision on the current year's Colonial and Middle Eastern Services Vote. An audited statement in respect of 1932-33 will also be required in due course, and should be forwarded as soon as possible after the 31st of March, 1933.

I have, &c.
(for the Secretary of State),
R. W. HAMILTON.

Sub-head H.5.—Maintenance of 'Iraq Levies.

C. 88429/31 [No. 1].

No. 35.

COLONIAL OFFICE to AIR MINISTRY.

[*Answered by No.* 36.]

SIR, Downing Street, 17th October, 1931.

I AM directed by Mr. Secretary Thomas to refer to Treasury Circular No. F. 11904/32 of the 1st of October, 1931, regarding the preparation of the Civil Estimates for the year ending 31st March, 1933, and to request that you will move the Air Council to furnish, if possible by the 25th of October, an estimate of the amount to be inserted in the Colonial and Middle Eastern Services Vote, 1932, in respect of the maintenance of the 'Iraq Levies, and also the total strength of that Force.

2. At the same time Mr. Thomas will be glad if an estimate can also be furnished as to the amount which it is anticipated will be received in 1932 as an appropriation-in-aid in respect of the sale of buildings. stores, equipment, fines, &c., connected with the 'Iraq Levies. In this connexion I am to refer to semi-official correspondence ending with Mr. Stevens's letter of the 23rd of September,† in which a provisional figure of £175,000 was given.

I am, &c.,
J. E. W. FLOOD.

C. 88429/31 [No. 3].

No. 36.

AIR MINISTRY to COLONIAL OFFICE.

[*Answered by Nos.* 38 *and* 42.]

SIR, Air Ministry, London, W.C.2, 27th October, 1931.

WITH reference to your letter of the 17th instant,‡ I am commanded by the Air Council to request you to inform the Secretary of State for the Colonies that the Air Officer Commanding in 'Iraq has supplied an estimate of the cost of the 'Iraq Levies during the financial year 1932, and that although the particulars furnished by him have not yet been examined completely in this Department, the Air Council consider that the provision which should be made for this service in the Colonial and Middle Eastern Services Vote, 1932, is as follows, viz., :—

	£
Provision.—Gross	171,500
Appropriations-in-Aid ...	1,500

2. A detailed estimate will be furnished as early as possible.

I am, &c.,
J. A. WEBSTER.

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* C. 96374/32 [No. 11]: not printed † C. 87385/1/31 [No. 1]: not printed. ‡ No. 35.

C. 88429/31 [No. 4].

No. 37.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 41.]

SIR, Downing Street, 30th October, 1931.

I AM directed by Mr. Secretary Thomas to transmit to you, to be laid before the Lords Commissioners of the Treasury, the accompanying copy of a letter* which has been received from the Air Ministry regarding the provision necessary in the Estimates for Colonial and Middle Eastern Services, 1932, in respect of the maintenance of the 'Iraq Levies—Sub-head H.5.

2. I am to state that, pending the examination of the detailed Estimates of the cost of the Forces submitted by the Air Officer Commanding in 'Iraq, the sum of £171,500 is being inserted provisionally under Sub-head H.5, Maintenance of 'Iraq Levies, and the sum of £1,500 under Sub-head L, Appropriations-in-Aid in respect of the sale of buildings, stores, equipment, &c., fines, &c., in connexion with Sub-head H.5 of the draft Estimates, 1932.

I am, &c.,
J. H. HALL.

C. 88429/31 [No. 6].

No. 38.

MR. F. J. HOWARD (COLONIAL OFFICE)
to
MR. W. G. STEVENS (AIR MINISTRY).

[*Answered by No.* 39.]

MY DEAR STEVENS, Downing Street, 7th January, 1932.

Please refer to your letter of the 27th October,* on the subject of the provision in Estimates for 1932 for the 'Iraq Levies, in which you said that a detailed estimate would be furnished as early as possible.

I have sent you under cover of a separate letter regarding Defence, 'Iraq, a copy of a letter from Trickett of the Treasury, in which he is pressing for details and final figures, and I should be grateful if you would let me know whether you have any amendments to make in your estimate of £171,500 for the Levies and an Appropriation-in-Aid of £1,500 and let me have such supporting detail as you can as early as possible.

Perhaps you would also say what is the numerical strength of the Force, since we have also to show numbers in our estimate.

Yours, &c.,
F. J. HOWARD.

C. 96381/32 [No. 1].

No. 39.

MR. W. G. STEVENS (AIR MINISTRY)
to
MR. F. J. HOWARD (COLONIAL OFFICE).

Adastral House,
DEAR HOWARD, Kingsway, W.C.2, 11th January, 1932.

IN reply to your letter of the 7th instant,† I enclose details of the final estimate of the cost of the 'Iraq Levies in 1932. As you will see we have been able to come down to—

	£
Gross	166,000
Appropriations-in-Aid ...	1,500
Net ...	£164,500

The estimates are, of course, made up on a basis of expenditure in rupees, and we have converted into sterling at the rate of 1 rupee = 1s. 6d.

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* No. 36. † No. 38.

There is a decrease in the gross of £23,000 as compared with 1931 Estimates and this, while being reflected in nearly every item, is due in the main to reduced rates of pay to the British personnel and to the civilian staff, combined with reductions and establishments generally, to reduced contract rates for rations, and smaller requirements for arms, ammunition, equipment, and saddlery, partly due to re-equipment in 1930 and 1931.

As you know, when the Treaty with 'Iraq comes into force the Levies are to be replaced by Aerodrome Guards supplied by the King of 'Iraq at the expense of the British Government (Clause 4 of the Annexure of the Treaty), and if this replacement takes place in 1932 the money for the guards will be found from this £166,000. Would you consider whether, in those circumstancss, some note should not appear in Estimates to that effect.

Yours, &c.,
W. G. STEVENS.

Enclosure in No. 39.

SUMMARY OF 'IRAQ LEVY ESTIMATES, 1932-33.

Vote No.	*Heading.*	£
1.	Salaries—British Officers	19,281
2.	,, British Warrant and Non-Commissioned Officers	2,456
3.	Civilian staff	7,500
4.	Pay of native personnel	65,960
5.	Rations	15,000
6.	Electric light and water	1,984
7.	Medical services	6,158
8.	Veterinary ,, ...	943
9A.	Clothing	4,500
9B.	Clothing allowance (less receipts from soldiers) ...	6,150
10.	Arms and ammunition	3,750
11.	Equipment	6,000
12.	Works and maintenance	5,250
13.	Compensation personnel	75
14.	Remounts	2,250
15.	Ocean passages	1,178
16.	Transport	7,800
17.	Telephones	300
18.	Re-engagement bounties	4,255
19.	Miscellaneous charges	150
20.	Rents and compensation	225
21.	Pension contributions	2,000
22.	T.A. and tour charges	450
23.	Postage and telegrams	135
24.	Fuel	2,250
	Gross ...	£166,000
	Appropriations-in-Aid ...	£1,500

Numbers.

22 British Officers.
11 British Warrant and Non-Commissioned Officers.
1,705 Native personnel.

1,738

C. 96381/32 [No. 2].

No. 40.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 41.]

SIR,

Downing Street, 14th January, 1932.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to the letter from this Office of the 30th of October, 1931* (Treasury reference S. 23929), on the subject of the provision to be made in the Estimates for Colonial and Middle Eastern Services, 1932, in respect of the maintenance of the 'Iraq Levies—Sub-head H.5, and to enclose, for the information of the Lords Commissioners of the Treasury, a copy of a semi-official letter† which has been received from the Air Ministry on this subject.

2. Their Lordships will observe that a final Estimate of £166,000 has been supplied by the Air Ministry in respect of the cost of the Force, and a sum of £1,000 has already been inserted under the Appropriation-in-Aid Sub-head in respect of the sale of buildings, stores, equipment, &c., fines, &c., in connexion with Sub-head H.5. A summary is also enclosed‡ showing how the figure of £166,000 is made up.

3. I am to ask that Their Lordships may be pleased to approve the provision of £166,000 under Sub-head H.5, accordingly, which is a reduction of £23,000 on the sum provided in the current year's Estimates for this Force.

4. If 'Iraq enters the League of Nations in 1932 and the Levies are replaced by Aerodrome Guards, supplied by the King of 'Iraq at the expense of His Majesty's Government in accordance with Clause 4 of the Annexure to the Treaty of Alliance (Cmd. 3627), the cost of such Guards will be found from provision under this Sub-head, and in these circumstances Sir Philip Cunliffe-Lister is of opinion that a suitable note should be added in Part III of the Estimate as follows: "In the event of the entry of 'Iraq into the League of Nations, this provision will cover the cost of Aerodrome Guards supplied by 'Iraq under Clause 4 of the Annexure to the Treaty Alliance, 1930."

I am, &c.,
J. E. W. FLOOD.

C. 96381/32 [No. 3].

No. 41.

TREASURY to COLONIAL OFFICE.

(S. 17977/010.)

SIR,

Treasury Chambers, 15th February, 1932.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Hall's letter of the 30th October, 1931,* and Mr. Flood's letter of the 14th January, 1932,§ on the subject of the provision to be made in the Estimate for Colonial and Middle Eastern Services, 1932, in respect of the maintenance of 'Iraq Levies, &c., Sub-head H.5.

In reply I am directed to request you to inform the Secretary of State that My Lords approve the provision of the sum of £166,000 under Sub-head H.5 of the Estimate to be submitted to Parliament. They further agree to the insertion of the sum of £1,500 under Sub-head L (Appropriations-in-Aid) in respect of the sale of buildings, stores, &c.

I am, &c.,
R. V. NIND HOPKINS.

C. 96381/32 [No. 4].

No. 42.

COLONIAL OFFICE to AIR MINISTRY.

SIR,

Downing Street, 11th April, 1932.

WITH reference to Mr. Steven's letter to Mr. Howard of the 11th of January,† I am directed by Secretary Sir Philip Cunliffe-Lister to request you to inform the Air Council that the sum of £166,000 has been provided under Sub-head H.5 of the Vote

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* No. 37. † No. 39. ‡ Enclosure in No. 39. § No. 40.

for Colonial and Middle Eastern Services, 1932, in respect of the maintenance of the 'Iraq Levies, &c., and that the sum of £1,500 has been inserted under Sub-head L (Appropriations-in-Aid) in respect of the sale of buildings, stores, &c.

2. This provision will cover the cost of aerodrome guards in the event of 'Iraq entering the League of Nations in September, 1932.

I am, &c.,
J. E. W. FLOOD.

Sub-head H.6.—'Iraq Levies, Disability Compensation, &c.

C. 88429/31 [No. 2].

No. 43.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 44.]

SIR, Downing Street, 27th October, 1931.

I AM directed by Mr. Secretary Thomas to refer to the correspondence ending with Sir R. V. Nind Hopkins' letter of the 3rd November, 1930, No. S. 23929,* regarding the provision of the sum of £500 in the Estimate of the Vote for Colonial and Middle Eastern Services, 1931, to meet disability compensation and retired pay to British officers and other ranks lately serving with the 'Iraq Levies, and to transmit to you herewith, to be laid before the Lords Commissioners of the Treasury, an estimate prepared in the Colonial Office of the amount likely to be required on this account during the financial year 1932-33.

2. The proposed provision shows a saving of £100 on the figure for this year due to the reduction of the amount included for Contingencies. Should the amount provided for Contingencies (£33) prove insufficient to cover any additional liability that arose during the year, the excess would have to be met from savings on the Vote generally. Apart from this reduction no other change is possible, as the pensions payable during the year have been already sanctioned by Their Lordships. I am accordingly to request that Their Lordships may be moved to approve the estimate at a total of £400, and to say that this amount is being inserted under Sub-head H.6—'Iraq Levies, Disability Compensation, &c., of the draft Estimate of the Vote for Colonial and Middle Eastern Services, 1932.

I am, &c.,
J. E. W. FLOOD.

Enclosure in No. 43.

ESTIMATE OF AMOUNT REQUIRED TO MEET DISABILITY COMPENSATION AND RETIRED PAY TO BRITISH OFFICERS AND OTHER RANKS LATELY SERVING WITH THE 'IRAQ LEVIES.

	Estimate. 1932. £ s. d.	*Estimate.* 1931. £ s. d.	*Remarks.*
Retired pay of Lieutenant-Colonel E. C. T. Minet, D.S.O., M.C. ...	75 0 0	75 0 0	See Treasury letter of 26th August, 1931 (S. 23929),† sanctioning extension of award to 26th June, 1933.
Sergeant C. Wyse, pension at the rate of 16s. 3d. a week	43 0 0	43 0 0	See Treasury letter (S. 21718) of 19th October, 1931,‡ sanctioning extension of award to 27th October, 1935.

* No. 70 in Middle East No. 38. † P.F. 16097 C.R. [No. 59] : not printed.
‡ C. 88371/32 [No. 4] : not printed.

	Estimate. 1932. £ s. d.	*Estimate.* 1931. £ s. d.	*Remarks.*
Compassionate allowance to widow and child of the late Lieutenant J. E. Griffith :— £			
Widow 90			
Child 24			
Education allowance of child 35			
——	149 0 0	149 0 0	See Colonial Office letter of 9th November, 1925.*
Disability addition to retired pay of Captain T. Tyrwhitt Drake, M.C.	100 0 0	100 0 0	Extended from 18th January, 1931, until further notice, see Colonial Office letter of 9th March, 1931.†
Contingencies	33 0 0	133 0 0	
	400 0 0	500 0 0	

Colonial Office,
27th October, 1931.

C. 88429/31 [No. 5].

No. 44.

TREASURY to COLONIAL OFFICE.

(S. 23929.)

SIR, Treasury Chambers, 2nd November, 1931.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Flood's letter of the 27th October, 1931,‡ transmitting an estimate of the amount likely to be required during the financial year 1932-33 on account of disability compensation and retired pay to British officers and other ranks lately serving with the 'Iraq Levies.

In reply I am directed to request you to inform the Secretary of State that Their Lordships approve his proposal to insert a sum of £400 in the draft Estimate for Colonial and Middle Eastern Services, 1932.

I am, &c.,
F. PHILLIPS.

PALESTINE AND TRANS-JORDAN.

Sub-head I.1.—Defence.

C. 87385/1/31 [No. 2].

No. 45.

COLONIAL OFFICE to AIR MINISTRY.

[*Answered by Nos.* 46 *and* 57.)

SIR, Downing Street, 17th October, 1931.

I AM directed by Mr. Secretary Thomas to refer to Treasury Circular No. F. 11904/32 of the 1st of October, 1931, regarding the preparation of the Civil Estimates for the year ending the 31st March, 1933, and to ask that the Air Council will be good enough to furnish an estimate of the amount to be inserted in the Vote for Colonial and Middle Eastern Services, 1932, in respect of the excess cost of the British Forces in Palestine and Trans-Jordan over the cost of such Forces at their normal stations.

* P.F. 19648 M.E. [Under No. 24] : not printed. † P.F. 15271 C.R. [No. 84] : not printed.
‡ No. 43.

2. I am to ask that the figures in respect of the Royal Air Force and Army Troops may be separately shown and that, in the case of the Royal Air Force, the information may be supplied under the following heads :—

(*a*) recurrent excess cost;
(*b*) works services in Palestine;
(*c*) works services in Trans-Jordan.

3. As the Lords Commissioners of the Treasury require the Estimate to be submitted by the 31st October, I am to ask that the Council will be good enough to furnish the information, if possible, by the 25th October.

4. In this connexion I am to refer to (*a*) Mr. Stevens' semi-official letter of the 23rd September* in which a purely provisional figure of £123,000 was given; (*b*) the letter from this Department of the 15th October,† in which the Council were informed that, after consultation with the Treasury, Mr. Thomas was unable to agree to the provision of married quarters for Army personnel in Palestine; and (*c*) Mr. Stevens' semi-official letter of the 12th August‡ dealing with the incidence of charge of the cost of local services rendered to the Imperial Forces in Palestine as from 1st April, 1932.

I am, &c.,
O. G. R. WILLIAMS.

C. 87385/1/31 [No. 3].

No. 46.

AIR MINISTRY to COLONIAL OFFICE.

SIR, Air Ministry, London, W.C.2, 27th October, 1931.

WITH reference to your letter of the 17th instant,§ I am commanded by the Air Council to request you to inform the Secretary of State for the Colonies that the estimate of the amount to be inserted in the Colonial and Middle Eastern Services Vote, 1932, in respect of the extra cost to Air votes of the Royal Air Force units stationed in Palestine and Trans-Jordan is as follows, viz. :—

	£
(*a*) Recurrent excess cost	40,000
(*b*) Capital Works Services in Palestine	21,000
(*c*) Capital Works Services in Trans-Jordan	2,000

The estimate given under item (*a*) above has been compiled on the same basis as in previous years, for it is not at present possible to state the saving to Air Votes by introduction of the arrangement referred to at (*c*) in paragraph 4 of your letter under reference; information on this point is being obtained, and due allowance will be made when the final estimate is prepared.

2. In addition to the amounts specified in the foregoing paragraph a sum of £5,000, which will be provided in Air Votes, 1932, to complete the Works Services already in hand for Army Troops in Palestine, will be recoverable from the Colonial and Middle Eastern Services Vote; but this Department is unable to say what sum will be payable from that Vote to Army Votes in respect of the excess cost of Army Troops. In previous years this information has been supplied direct to your Department by the War Office and it is understood that the latter Department will furnish particulars to you as soon as it is in a position to do so.

I am, &c.,
J. A. WEBSTER.

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* C. 87385/1/31 [No. 1] : not printed. † C. 87159/31 [No. 39] : not printed.
‡ C. 87159/31 [No. 29] : not printed. § No. 45.

C. 87385/1/31 [No. 4].

No. 47.

PALESTINE.

THE SECRETARY OF STATE to THE OFFICER ADMINISTERING THE GOVERNMENT.

(Sent 1.45 p.m., 29th October, 1931.)

TELEGRAM.

[*Answered by No.* 48.]

No. 241. MY despatch 708 of 17th September, 1931.* Local Services to British Forces.

Please forward statement referred to in paragraph 3 as soon as possible, but telegraph by return estimate of cost of local Services to be rendered for period 1st April, 1932, to 31st March, 1933, to (*a*) Army Troops, (*b*) Royal Air Force in Palestine, excluding Services supplied by Palestine's own undertakings, cost of which should be shown separately for (1) Army, and (2) Air Force.—THOMAS.

C. 87385/1/31 [No. 5].

No. 48.

PALESTINE.

THE OFFICER ADMINISTERING THE GOVERNMENT to THE SECRETARY OF STATE.

(Received 12.11 p.m., 31st October, 1931.)

[*Answered by No.* 50.]

No. 258. 31ST OCTOBER. Your telegram No. 241 of 30th October.† Local services to British Troops. On basis of expenditure for current year the estimated cost of local services to be rendered for the period 1st April, 1932, to 31st March, 1933, in Palestine to (*a*) Army Troops is £16,500, and (*b*) Royal Air Force £3,500 excluding services by Palestine's own undertaking. Approximate cost of latter is (1) for Army Troops £15,000, and (2) for Air Force £2,000.

C. 87385/1/31 [No. 8].

No. 49.

COLONIAL OFFICE to TREASURY.

SIR, Downing Street, 10th November, 1931.

I AM directed by Secretary Sir Philip Cunliffe-Lister to transmit to you, to be laid before the Lords Commissioners of the Treasury, copy of the correspondence‡ on the subject of the estimate of the amount to be inserted in the Vote for Colonial and Middle Eastern Services, 1932, in respect of the excess cost of the British Forces in Palestine and Trans-Jordan over the cost of such Forces at their normal stations.

2. Subject to Their Lordships' concurrence, it is proposed to insert the sum of £140,000 as a provisional figure under Sub-head I.1 of the Estimate for Colonial and Middle Eastern Services for 1932 as follows :—

	£	£
Royal Air Force.		
Recurrent excess cost	40,000	
Capital Works' services in Palestine	21,000	
Capital Works in Trans-Jordan...	2,000	
		63,000
Army Troops.		
Completion of Works' services		5,000
		£68,000

* C. 87159/31 [No. 32] : not printed. † No. 47. ‡ Nos. 45, 46, 47, and 48.

The War Office have furnished a purely provisional figure of £52,000 in respect of recurrent excess cost of the Army Troops, while the cost of local services to be rendered by the Palestine Government, excluding services by Palestine's own undertakings is :—

(*a*) for Army Troops £16,500
(*b*) for the Royal Air Force £3,500

The total provision, therefore, amounts to £140,000.

2. A further letter will be addressed to Their Lordships in regard to the amount to be paid by the Palestine Government to His Majesty's Government as a contribution towards the cost of Defence.

I am, &c.,
O. G. R. WILLIAMS.

C. 87385/1/31 [No. 11].

No. 50.

PALESTINE.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 5.10 p.m., 23rd December, 1931.)

TELEGRAM.

[*Answered by No.* 51.]

No. 308. YOUR despatch 1056 of 4th December.* In Statement II cost of services supplied from January to August, 1931, to Army from Palestine's own undertakings is given as £5,676 and those for Air Force on Statement III as £10,762.

In your telegram 258 of 31st October† Estimates for period 1st April, 1932, to 31st March, 1933, are Army £15,000 and Air Force £2,000.

On 1931 basis the Army figure for 1932 appears somewhat high and Air Force figure extraordinarily low.

Please check and telegraph any necessary alteration.—CUNLIFFE-LISTER.

C. 87385/1/31 [No. 12].

No. 51.

PALESTINE.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 5.11 p.m., 28th December, 1931.)

TELEGRAM.

No. 329. 28TH DECEMBER. Your telegram No. 308 of the 23rd December.‡ Owing to the absence of details respecting division of railway charges between Army and Air Force an amount of £6,000 in respect of difference between public and preferential railway rates for Royal Air Force traffic was inadvertently included in figure of £15,000 quoted in my telegram No. 258 of the 31st October† for services supplied to Army from Palestine's own undertakings. The figure of £2,000 for services supplied to Royal Air Force unit(s) from Palestine's own undertakings excluded this amount of £6,000 and also £12,000 on account of railway charges at preferential rate reimbursed to the railways direct by the Royal Air Force. As regards item £12,000 see paragraph 10 of Treasurer's explanatory memorandum accompanying my despatch of the 4th December, 1931, No. 1056.* The revised figures for services supplied from Palestine's own undertakings are, therefore, Army £9,000, Royal Air Force £20,000.

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* C. 87159/31 [No. 52] : not printed. † No. 48. ‡ No. 50.

C. 87385/1/31 [No. 15].

No. 52.

COLONIAL OFFICE to TREASURY.

SIR, Downing Street, 7th January, 1932.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to the second paragraph of the letter from this Department of the 10th of November,* on the subject of the estimate of the amount to be inserted in the Vote for Colonial and Middle Eastern Services, 1932, in respect of the excess cost of the British Forces in Palestine and Trans-Jordan over the cost of such Forces at their normal stations, and to transmit to you, to be laid before the Lords Commissioners of the Treasury, copies of telegraphic correspondence† with the High Commissioner for Palestine on the subject.

2. Their Lordships will observe that the estimated cost of services to be rendered by Palestine's own undertakings is now (*a*) for Army Troops, £9,000 instead of £15,000; (*b*) for the Royal Air Force; £20,000 instead of £2,000.

I am, &c.,
O. G. R. WILLIAMS.

C. 98188/32 [No. 1B].

No. 53.

WAR OFFICE to COLONIAL OFFICE.

SIR, The War Office, London, S.W.1, 13th January, 1932.

WITH reference to War Office letter of the 13th February, 1930,‡ relating to the recovery from the Colonial Office of the extra cost falling upon Army Funds in respect of the additional troops in Palestine, I am commanded by the Army Council to state, for the information of Secretary Sir Philip Cunliffe-Lister, that the extra cost to be recovered in respect of these troops in the financial year 1932, so far as can be foreseen at present, is estimated to amount to £95,000.

This estimate is based on the assumption that the Military Forces at present in Palestine will remain there for the whole of the financial year 1932, and includes the extra charges involved in those services which are at present provided for the Military Forces in Palestine at the direct charge of the Palestine Government but which, it has been agreed, will from 1st April, 1932, be paid for in the first instance from Army Funds (Colonial Office letter of 30th December, 1931§).

The estimate also includes an exceptional item of £33,000 in respect of sea transport and I am to explain that this charge arises from the fact that in 1932 the location of the additional troops in Palestine instead of at their normal stations throws a definite extra charge of this amount upon the combined sea transport service carried out by the Board of Trade for the War Office and India. The charge accordingly falls to be recovered from the Colonial and Middle Eastern Services Vote as part of the extra cost of the additional troops in Palestine.

I am, &c.,
A. E. WIDDOWS.

C. 98188/32 [No. 2].

No. 54.

MR. G. D. ROSEWAY (WAR OFFICE)

to

MR. F. J. HOWARD (COLONIAL OFFICE).

[*Answered by No.* 56.]

DEAR HOWARD, The War Office, Whitehall, S.W.1, 14th January, 1932.

As a result of the agreement, arrived at to-day, for Army Funds to pay, in the first instance, the cost of the local services performed for the Military Forces in Palestine by the Palestine Government's own undertakings, the figure of £95,000 given in our official letter of 13th January, 1932,‖ as the estimate of the amount recoverable

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* No. 49. † Nos. 50 and 51. ‡ C. 89127/31 [No. 2] : not printed
§ C. 87159/31 [No. 56] : not printed. ‖ No. 53.

in 1932 from the Vote for Colonial and Middle Eastern Services in respect of the extra cost of the additional troops in Palestine should be amended to £99,000.

We do not propose to send another official letter so perhaps you will kindly note the amendment.

Yours, &c.,
G. D. ROSEWAY.

C. 98188/32 [No. 3].

No. 55.

COLONIAL OFFICE to TREASURY.

SIR, Downing Street, 16th January, 1932.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to the letter from this Department of the 10th November, 1931,* on the subject of the provision to be made in the Vote for Colonial and Middle Eastern Services, 1932, in respect of the excess cost of the British Forces in Palestine and Trans-Jordan over the cost of such Forces at their normal stations, and to transmit to you, to be laid before the Lords Commissioners of the Treasury, copies of letters† which have been received from the War Office on the subject.

2. Their Lordships will observe that the estimate of excess cost in respect of the Military Forces at present in Palestine has been increased from the provisional figure of £52,000 given in the letter under reference to £99,000. This sum covers the cost of all local services including those rendered by Palestine's own undertakings, the charges for railway services being included at preferential rates only.

3. It will also be seen that this estimate includes an exceptional item of £33,000 in respect of sea transport, an explanation of which is given in the last paragraph of War Office letter of the 13th of January.‡

4. The sum of £99,000 has accordingly been inserted under Sub-head I.1 of the Colonial and Middle Eastern Services Vote, 1932, on this account, and I am to ask that Their Lordships may be pleased to accord their sanction thereto.

I am, &c.,
O. G. R WILLIAMS.

C. 98188/32 [No. 4].

No. 56

MR. F. J. HOWARD (COLONIAL OFFICE)

to

MR. G. D. ROSEWAY (WAR OFFICE).

[*Answered by No.* 58.]

DEAR ROSEWAY, Downing Street, 16th January, 1932.

THANK you for your letter of the 14th of January,§ on the subject of the amount to be inserted in the Vote for Colonial and Middle Eastern Services in respect of the extra cost of the additional troops in Palestine.

We have inserted £99,000 in our estimate and have notified the Treasury accordingly.

I am grateful to you for the action you have taken in the matter and apologize for the inconvenience to which you have been put owing to the revision of the agreement in regard to local services, which was put forward at such a late hour and after your Estimates had been compiled.

Yours, &c.,
F. J. HOWARD.

C. 98188/32 [No. 5].

No. 57.

AIR MINISTRY to COLONIAL OFFICE.

SIR, Air Ministry, London, W.C.2, 19th January, 1932.

WITH further reference to your letter of 17th October, 1931,|| I am commanded by the Air Council to state, for the information of the Secretary of State for the Colonies, that it is estimated that the amounts as shown hereunder will require to be inserted in the Vote for Colonial and Middle Eastern Services, 1932, in respect of

* No. 49 † Nos. 53 and 54. ‡ No. 53. § No. 54. || No. 45.

the " extra cost " to Air Votes of the Royal Air Force units stationed in Palestine and Trans-Jordan.

		£
(*a*)	Recurrent extra cost	38,000
	Capital expenditure on works and lands services and hirings :—	
(*b*)	Palestine	26,000
(*c*)	Trans-Jordan	3,750

The above estimates are based upon the arrangements as regards local services agreed at the conference held at the Treasury on the 14th instant.

In addition to the amounts specified above a sum of £8,000 will require to be inserted in the Vote for Colonial and Middle Eastern Services to cover expenditure, which will be provided for in Air Votes, on works services for Army troops in Palestine. No provision has been taken in the draft Air Votes, 1932, for married quarters for Army troops in Palestine

It is probable that the Council will very shortly seek Sir Philip Cunliffe-Lister's agreement to the permanent transference to Palestine of the whole of No. 6 Squadron, and the sum of £26,000 provided for Capital Works Services in Palestine includes £10,500 for extra accommodation at Ramleh which the adoption of this proposal would entail, in addition to the provision which would otherwise be necessary.

I am, &c.,
J. S. ROSS.

C. 98188/32 [No. 7].

No. 58.

MR. G. D. ROSEWAY (WAR OFFICE)

to

MR. F. J. HOWARD (COLONIAL OFFICE).

The War Office,

DEAR HOWARD, London, S.W.1, 21st January, 1932.

WITH reference to my letter to you of the 14th instant* and to your reply of the 16th instant,† we have received further information from the Financial Adviser, Egypt, regarding our prospective liabilities in Palestine which enable us to reduce the estimate of the amount recoverable from the Vote for Colonial and Middle Eastern Services by £10,000 to £89,000.

I am sorry for this further alteration, but it is entirely due to the late arrival of the figures from the Palestine Government. We sent them out to Egypt directly they were received, and the reply came this week

Yours, &c.,
G. D. ROSEWAY.

C. 98188/32 [No. 6].

No. 59.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 60.]

SIR, Downing Street, 21st January, 1932.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to the letter from this Department of the 16th of January,‡ on the subject of the provision to be made in the Vote for the Colonial and Middle Eastern Services, 1932, in respect of the excess cost of the British Forces in Palestine and Trans-Jordan over the cost of such Forces at their normal stations, and to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a letter§ which has been received from the Air Council on this subject.

* No. 54. † No. 56. ‡ No. 55. § No. 57.

2. Their Lordships will observe that the estimate of £68,000 previously given in paragraph 2 of a letter from this Office of the 10th of November last,* has been increased to £75,750, made up as follows:—

	£
(*a*) Recurrent extra cost	38,000
(*b*) Capital expenditure on works and land services and hirings in Palestine	26,000
(*c*) Ditto in Trans-Jordan	3,750
(*d*) Expenditure on works services for Army troops in Palestine	8,000
	£75,750

3. It will be observed that the above figures include the cost of all local services rendered by the Palestine Government to the Royal Air Force, including those rendered by the Government of Palestine's own undertakings. The cost of railway services, however, has been shown at preferential rates only. The increase on this account will be reflected in the increased contribution from Palestine towards the cost of Defence under the Appropriation-in-Aid Sub-head of the Vote.

4. Their Lordships will also observe that no provision has been made in this estimate for married quarters for Army troops in Palestine, but that on the other hand, the estimate includes the sum of £10,500 in respect of the cost of extra accommodation at Ramleh entailed by the proposed permanent transference to Palestine of the whole of No. 6 Squadron, a portion of which is at present located in Egypt. This question will, the Council state, shortly be referred to the Secretary of State for consideration, but, in the meantime, Sir Philip Cunliffe-Lister is of opinion that provision should be made, therefore, in the Estimate, in view of the probable adoption of the Council's proposal.

4. I am at the same time to refer to paragraph 4 of the letter from this Office of the 16th of January on the subject of the provision of £99,000 under Sub-head I.1 of the Colonial and Middle Eastern Services Vote in respect of the excess cost of the Military Forces in Palestine, and to say that information has now been received from the War Office to the effect that this figure can be reduced to £89,000. The total provision under this Sub-head is, therefore, £164,750, and I am to ask that Their Lordships may be pleased to accord their sanction thereto.

I am, &c.,
O. G. R. WILLIAMS.

C 98188/32 [No. 11].

No. 60.

TREASURY to COLONIAL OFFICE.

(S. 28724/4.)

SIR, Treasury Chambers, 13th February, 1932.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Williams' letters of the 13th November, 1931,† the 21st January, 1932,‡ and further correspondence on the subject of (1) the provision to be made in the Estimate for Colonial and Middle Eastern Services, 1932, in respect of the excess cost of the British Forces in Palestine and Trans-Jordan over the cost of such Forces at their normal stations, and (2) the amount of the contribution to be made by the Government of Palestine towards the cost of Defence Services in the financial year 1932-33.

In reply I am directed to request you to inform the Secretary of State that My Lords approve the provision in the Estimate to be submitted to Parliament of the sum of £164,750 under Sub-head I. 1 in respect of Defence expenditure and of £90,000 under Sub-head L (Appropriations-in-Aid) in respect of Palestine's contribution towards the cost of Defence.

I am, &c.,
R. V. NIND HOPKINS.

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* No. 49. † No. 124. ‡ No. 59.

Sub-head I.2.—Trans-Jordan Frontier Force (Grant-in-Aid).

C. 97748/32 [No. 1].

No. 61.

TRANS-JORDAN.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 11th January, 1932.)

(Confidential.)

SIR, High Commissioner's Office, Jerusalem, 31st December, 1931.

WITH reference to Mr. Young's telegram No. 80, dated the 24th October,* I have the honour to transmit herewith the Estimates for Ordinary and Extraordinary expenditure of the Trans-Jordan Frontier Force in respect of the financial year 1932-33, providing for a total expenditure of £P.183,405, compared with £P.206,697 in the year 1931.

2. *Item* 28. *Local Officers.*—Provision was suggested in the original draft of the 1931 Estimates for rearranging the establishment of Local Officers in the higher grades with a view to ameliorating their conditions of service. These proposals were not, however, sufficiently advanced to permit of consideration in connexion with those Estimates, and it was therefore decided that there should be no change in this respect during 1931 (see paragraph 3 of Lord Passfield's Secret despatch of the 9th July, 1931,† and Mr. Young's despatch Secret A of the 23rd May, 1931)‡.

Provision has been inserted in the present draft Estimates for rearranged establishment of twenty-two Local Officers:—

1 Sagh. £P.300—20—400 plus duty allowance of £P.50 per annum.
4 Local Officers, Class I. £P.300—20—400. (Kaid)
8 Local Officers, Class II. £P.264. (Rais).
9 Local Officers, Class III. £P.216. (Mulazim)

The existing establishment is:—

3 Local Officers, Class I. £P.300—20—400.
6 Local Officers, Class II. £P.264.
13 Local Officers, Class III. £P.216.

The Officer Commanding the Trans-Jordan Frontier Force represents that under present arrangements there is little opportunity for promotion, and that this tends to diminish incentive and efficiency. The Air Officer Commanding, Palestine and Trans-Jordan, shares this view. While, therefore, it is not proposed to add to the number of Local Officers, it is proposed that the number in each rank should be variable, and that after five years' service in a grade, Local Officers who are qualified for promotion should be advanced to the next higher rank.

Kaids, Class I, would ordinarily retire after five years' service in this rank. There would thus be a normal flow of promotion throughout the establishment.

The further suggestion is made that the senior combatant Kaid, who is at present on the maximum of the grade, £P.300—20—400, should be appointed "Sagh," not being placed on a higher scale of salary but receiving a duty allowance of £P.50 a year to establish his precedence over the combatant Kaids in Class I.

The foregoing proposals will involve an additional expenditure of £P.264 in 1932-33, and this increase is not likely to be augmented substantially in future years, on account of normal retirements.

Item 31. *Medical Officers.*—Provision is made for a third (Local) Medical Officer. Since an establishment of a Senior Medical Officer and two (Local) Medical Officers was fixed, additional stations have been occupied by the Frontier Force at Beisan, Jisr Majami, Samakh and Rosh Pina, all of which are permanent posts; and the strength of the Force has been increased by 200 men.

There is a permanent hospital at Zerqa, to which practically all surgical and medical cases from the Force are admitted. One Medical Officer is required for duty at Zerqa where he acts for the Senior Medical Officer when that officer is visiting out-stations or is on leave, and assists him generally and in particular as anæsthetist. A second Medical Officer must be permanently stationed at Ma'an.

At present the resident physician at the works of the Palestine Electric Corporation is paid for medical attention at Jisr Majami and Samakh Camps and a private

* C. 89506/31 [No. 1]: not printed. † No. 117 in Middle East No. 38.
‡ No. 111 in Middle East No. 38.

practitioner in the settlement of Rosh Pina attends to patients at the Rosh Pina Camp under a similar arrangement. This, however, makes no provision for matters of sanitation in the Camps, or for the anti-malaria measures which, in view of the unhealthy sites occupied, should be carried out constantly.

I have considered whether the medical care of the detachments of the Frontier Force in Palestine and the responsibility for the sanitary and anti-malarial supervision of the Camps could not be assumed by the Department of Health. It appears, however, that this will not be possible. It may be necessary, in giving effect to the recommendation of the Financial Commission, to withdraw the Medical Officer of Health from Beisan and to amalgamate the Beisan and Tiberias districts. The Medical Officer, Tiberias, will then be unable to visit sick at the Samakh Camp; and it is difficult for the Medical Officer at Safad to find time among his other duties for visiting sick at the Rosh Pina Camp.

In the circumstances I regard the appointment of a third Medical Officer as essential; he should be primarily concerned with the Frontier Force Camps in Palestine, but would be available for duty in Trans-Jordan to relieve one of the other Medical Officers at Zerqa or Ma'an in case of necessity.

Item 55. *Remuneration of Part-Time Teachers.*—Difficulty is being experienced in finding men in the ranks of the Frontier Force with a sufficient degree of literacy to be promoted to Local Officers. Recruits whose standard of literacy is adequate do not readily adapt themselves to the military life of the Force, and men who possess the qualities necessary for promotion to commissioned rank are lacking in education. It is essential that Local Officers should be literate and also have some proficiency in English, for the reason that in combined operations with the Military and the Air Force they must be able to co-operate with British Officers who may not be conversant with Arabic.

Provision has therefore been included in the draft Estimates under Item 55 to enable a beginning to be made of instruction in English. Seven serving members of the Force will be employed as part-time teachers, each receiving an honorarium of £P.12 a year. Such books and stationery as are necessary will be bought from funds provided under Item 82, Contingencies.

Item 91. *Purchase of Tentage.*—Tents must be kept in readiness for issue to columns sent out from Headquarters. The present supply for that purpose has, however, been in use for the last two years at Rosh Pina Camp, and a considerable part of it is no longer serviceable for the purpose..

Item 93. *Purchase of Weighing Machines.*—It is necessary to provide proper weighing machines at Beisan, Samakh, and Rosh Pina for the purpose of weighing forage. In view of the value of the forage contract (approximately £P.12,000 a year), I regard this service as essential. Spring balances are at present used but are unreliable and may facilitate short measure.

Item 94. *Purchase of Hotchkiss Gun.*—It is necessary to replace a gun which burst during firing practice and was damaged beyond repair.

3. In the programme of Extraordinary Works a considerable decrease in the requirements of the Force will be observed. This is explained by the fact that expenditure not exceeding £P.10,500 on completing permanent Camps at Samakh, Beisan, Jisr Majami, and on constructing a permanent camp at Rosh Pina, has already been approved (see Mr. Thomas's Secret despatch of the 2nd October*). It is anticipated that most of this work will be finished by the commencement of 1932-33.

4. The following comments arise in connexion with the works in Trans-Jordan.

Item 8. *Erection of Records Office.*—It is proposed to erect a concrete building at Zerqa, suitably equipped for the safe custody of personal and other important records. These are at present housed in a semi-permanent wooden building, exposed to the risk of destruction by fire.

Item 9. *Concrete Floor for Motor Transport Stores.*—The funds previously provided for the erection of these stores did not allow for the laying down of a concrete floor, which is essential for the protection from damage by dust and sand of the valuable, and in some cases perishable, supplies.

Item 10. *Erection of Fire Station.*—No accommodation is at present available for the Chemical Fire Engine at Zerqa.

I have, &c.,
ARTHUR WAUCHOPE,
High Commissioner for Trans-Jordan.

* C. 89408/31 [No. 24] : not printed.

PALESTINE ESTIMATES, 1932–33.

Enclosure in No. 61.

TRANS-JORDAN FRONTIER FORCE.

Item	1931	1932-33	Details of Expenditure	Approved Estimates 1931	Estimates 1932-33	Increase	Decrease	Remarks
			A. PERSONAL EMOLUMENTS.	£P.	£P.	£P.	£P.	
			British Ranks.					
1	1	1	Commanding Officer	1,150	1,150			
2			Duty Allowance	100	100			
3	1	1	Second-in-Command	900	900			
4			Duty Allowance	50	50			
5	1	1	Adjutant	700	700			
6			Duty Allowance	50	50			
7	5	5	Company Commanders	3,850	3,939	89		7. Increments
8			Duty Allowance	250	250			
9	1	1	Senior Medical Officer	700	711	11		9. Increment
10			Duty Allowance	50	50			
11	1	1	Senior Veterinary Officer	700	700			
12			Duty Allowance	50	50			
13	10	10	Company Officers	6,300	6,339	39		13. Change of holders and increments
14	1	1	Signalling Officer	550	650	100		14—19. These appointments were regraded in 1931 on promotion of holders to the rank of Captain
15			Duty Allowance	50	—		50	Duty Allowance abolished
16	1	1	Quartermaster	550	650	100		
17			Duty Allowance	50	—		50	
18	1	1	Paymaster	550	614	64		
19			Duty Allowance	50	—		50	
			Carried forward	16,650	16,903	403	150	

1	1	1	Commanding Officer	£P.1,150 p.a.				
2			Duty Allowance	£P.100 p.a.				
3	1	1	Second-in-Command	£P.900 p.a.				
4			Duty Allowance	£P. 50 p.a.				
5	1	1	Adjutant	£P.600—50—700 p.a.				
6			Duty Allowance	£P. 50 p.a.				
7	5	5	Company Commanders	£P.700—50—800 p.a.				
8			Duty Allowance	£P. 50 p.a.				
9	1	1	Senior Medical Officer	£P.700—50—800 p.a.				
10			Duty Allowance	£P. 50 p.a.				
11	1	1	Senior Veterinary Officer	£P.600—50—700 p.a.				
12			Duty Allowance	£P. 50 p.a.				
13	10	10	Company Officers	£P.600—50—700 p.a.				
14	1	1	Signalling Officer	£P.600—50—700 p.a.				
15			Duty Allowance	£P. 50 p.a.				
16	1	1	Quartermaster	£P.600—50—700 p.a.				
17			Duty Allowance	£P. 50 p.a.				
18	1	1	Paymaster	£P.600—50—700 p.a.				
19			Duty Allowance	£P. 50 p.a.				
			Carried forward					

Item	1931	1932-33	Details of Expenditure		Approved Estimates 1931 £P.	Estimates 1932-33 £P.	Increase £P.	Decrease £P.	Remarks
			British Ranks—cont.						
			Brought forward		16,650	16,903	403	150	
20	7	7	Warrant Officers	£P.290—10—340 p.a.	2,232	2,274	42	—	20. Increments
21			Expatriation Allowance	£P. 50 p.a.	350	350	—	—	
22	1	1	Farrier Staff Sergeant	£P.240—10—280 p.a.	277	280	3	—	22. Increments
23			Expatriation Allowance	£P. 50 p.a.	50	50	—	—	
24	2	2	Mechanical Transport Staff Sergeants	£P.240—10—280 p.a.	480	511	31	—	24. Increments
25			Expatriation Allowance	£P. 50 p.a.	100	100	—	—	
26	—	10	Reserve of Officers		—	270	270	—	26. 10 British Officers; 15 days p.a. at £P.1. 800 mils. *per diem*
27			Compensatory Allowance		212	154	—	58	27. See Statement "A" attached
			Local Ranks.						
28	22	22	Local Officers—		5,392				28—29. Regrading of Local Officers approved in principle by Secretary of State. See His Excellency's despatch to Secretary of State dated 23rd May, 1931.*
			1 Sagh	£P.300—20—400 p.a.					
			4 Class I	£P.300—20—450 p.a.	—	5,656	264	—	
			8 Class II	£P.264 p.a.					
			9 Class III	£P.216 p.a.					
29			Duty Allowance	£P. 50 p.a.	—	50	50	—	
30	1	1	Educational Officer	£P.264 p.a.	264	264	—	—	
31	2	3	Medical Officers	£P.300—10—550 p.a.	851	1,162	311	—	31. New Appointment
32	1	1	Veterinary Officer	£P.300—20—400 p.a.	337	362	25	—	32. Increments
			Carried forward		27,195	28,386	1,399	208	

* No. 111 in Middle East No. 38.

Item	1931	1932-33	Details of Expenditure		£P.	£P.	£P.	£P.	Remarks
			Local Ranks—cont.						
			Brought forward		27,195	28,386	1,399	208	
33	6	6	Company-Quartermaster-Sergeants	£P.150 p.a.	900	900	—	—	
34	27	27	Sergeants	£P.10 per month	3,240	3,240	—	—	
35	6	6	Lance-Sergeants	£P. 9 per month	648	648	—	—	
36	36	36	Corporals	£P. 8 per month	3,456	3,456	—	—	
37	736	736	Privates	£P. 6 per month	52,992	52,992	—	—	
38			Proficiency Pay		3,915	3,195	—	—	38—40. Payable under Regulations. See Statement "B" attached
39			Tradesmen's Pay		2,250	2,250	—	—	
40			Good Conduct Pay		2,600	3,500	900	—	
41	2	2	Mechanical Transport Corporals	£P.15 per month	360	360	—	—	
42	29	29	Drivers	£P.12 per month	4,176	4,176	—	—	
43	7	7	Mechanics	£P.12 per month	1,008	1,008	—	—	
44	2	2	Electricians	£P.12 per month	288	288	—	—	
45	1	1	Bodymaker	£P.12 per month	144	144	—	—	
46	1	1	Pumpman	£P.10 per month	120	120	—	—	
47	6	6	Clerical Officers—						
			1 Grade I	£P.288—12—360 p.a.					
			3 Grade II	£P.180—8—276 p.a.	1,130	1,180	50	—	47. Increments
			2 Trooper Clerks	£P.10 per month					
48			Compensatory Allowance		82	10	—	72	48. See Statement "A" attached
49	17	17	Sanitarymen	£P.4—500 per month	918	918	—	—	
50			Reservists		2,412	2,412	—	—	
51	1	1	Assistant Engineer	£P.312—12—372 p.a.	378	372	—	—	51. Graded at Trans-Jordan Government rate
52	1	1	Foreman, Grade II	£P.180—8—276 p.a.	220	228	8	—	52—53. Increments
53	1	1	Foreman, Grade III	£P.60—6—168 p.a.	120	126	6	—	
54	1	1	Clerk, Grade III	£P.60—6—168 p.a.	120	112	—	8	54. Change in Holder
55			Remuneration for part-time Teachers		—	84	84	—	55. Approved in principle by Secretary of State
			TOTAL—PERSONAL EMOLUMENTS ..		£P.108,672	£P.110,825	£P.2,447	£P.294	
			NET INCREASE—£P.2,169						

Item	Details of Expenditure	Approved Estimates 1931	Estimates 1932-1933	Increase	Decrease	Remarks
		£P.	£P.	£P.	£P.	
	B. Other Charges					
56	Pensions Contribution and Gratuities	2,000	1,800	—	200	
57	Cost of Living Allowances	1,940	1,060	—	880	57. Payable under Regulations; computed at new rates
58	Officers' Outfit Allowances	240	320	80	—	58. Reliefs for 6 officers returning to Units .. .. 120 10 Reserve Officers; see item 26 .. .. 200 £P.320
59	Transport and Travelling	3,000	3,000	—	—	
60	Rail Fares and Freights.	5,000	5,800	800	—	60. Based on expenditure for the past two years. The estimate for 1931 proved inadequate
61	Passages	500	500	—	—	
62	Maintenance of Mechanical Transport	10,000	9,400	—	600	
63	Arms, Equipment, Uniforms, and Clothing	11,700	11,000	—	700	
64	Ammunition	3,700	3,500	—	200	
65	Harness and Saddlery	1,250	1,100	—	150	
66	Horse Shoes and Stable Requisites	2,300	2,100	—	200	
67	Forage	9,500	12,600	3,100	—	67. Based on present contract prices
68	Camp Equipment	650	600	—	50	
69	Fuel and Light	2,000	1,750	—	250	
70	Furniture and Barrack Stores	1,000	800	—	200	
71	Stationery and Printing	400	375	—	25	
72	Miscellaneous Stores	600	570	—	30	
73	Maintenance of Signalling and Wireless Apparatus	1,100	700	—	400	
74	Medical Services	1,300	1,200	—	100	
75	Veterinary Services	250	175	—	75	
76	Rent of Camps, Quarters and Training Area	100	60	—	40	
77	Current Repairs and Maintenance of Buildings and Camps ..	2,500	2,200	—	300	
78	Water Supply and Conservancy	500	500	—	—	
79	Crown Agents' Expenses	300	300	—	—	
	Carried forward	61,830	61,410	3,980	4,400	

Item	Details of Expenditure	Approved Estimates 1931	Estimates 1932-1933	Increase	Decrease	Remarks
		£P.	£P.	£P.	£P.	
	B. Other Charges (continued)					
	Brought forward	61,830	61,410	3,980	4,400	
80	Typewriters and Duplicators	70	25	—	45	
81	Telegrams, Telephones and Postage	900	800	—	100	
82	Contingencies	100	60	—	40	
83	Purchase of Remounts	1,090	900	—	190	
84	Rations	1,000	800	—	200	
85	Replacement of Mechanical Vehicles	3,000	3,000	—	—	85. Not expended, 1931
	Special Expenditure					
86	Purchase of Rifles	750	—	—	750	86. Not required, 1933
87	Purchase of Searchlights and Generator Sets	540	—	—	540	87. ditto
88	Purchase of Fire Engine	600	—	—	600	88. ditto
89	Purchase of Riding Animals	5,000	—	—	5,000	89. ditto
90	Purchase of Vehicles for mechanisation	1,900	—	—	1,900	90. ditto
91	Purchase of Tentage	—	900	900	—	91. Replacement of tentage which has stood last two years in Rosh Pina
92	Purchase of Electric Fans	—	50	50	—	92. For Units stationed in Jordan Area
93	Purchase of Weighing Machines	—	60	60	—	93. To provide Weighing Machines for weighing Forage at Camps at Beisan, Samakh, and Rosh Pina
94	Purchase of Hotchkiss Gun	—	60	60	—	94. To replace Gun damaged beyond repair
		76,780	68,065	5,050	13,765	
	Decrease — Other Charges £P.8,686	108,672	110,825	2,447	294	
	Total — Trans-Jordan Frontier Force	£P.185,452	£P.178,890	£P.7,497	14,059	
	Net Decrease — £P.6,517					

STATEMENT A.

COMPENSATORY ALLOWANCES, 1932—33

Item		£P.
27. *British Ranks*—		
	Major R. S. Y. Buller	20.513
	Major J. W. Smith..	20.513
	Major Y. R. D. Wigan	17.949
	Capt. H. A. Idenden	17.949
	Capt. E. W. Northfield	17.949
	Capt. M. C. Lassetter	17.949
	3 Warrant Officers .. .	20.513
	1 Farrier Sergeant	8.461
		£P.153.847 mils.
49. *Local Ranks*		
	1 Kaid	10.256
		30.—

STATEMENT "B."

DETAILS OF PROFICIENCY, TRADESMEN'S AND GOOD CONDUCT PAY.

				Entitlement	
Item No. 38 Proficiency Pay					
3 Squadrons Cavalry	.. ..	each	142 Troopers		
Less Tradesmen	.. ..	each	11 ,,		
			131		
Gunners — 28 per Squadron.	Entitlement 66 per cent.	.. ..	.. ..	55	
Troopers —103 per Squadron.	Entitlement 33 per cent.	.. ..	.. ..	101	
				—	156
1 Company Camelry	.. ..		114 Troopers		
Less Tradesmen	.. ..		5 ,,		
			109		
Gunners — 28 ..	Entitlement 66 per cent.	.. ..	.. ..	18	
Troopers — 81 ..	Entitlement 33 per cent.	.. ..	.. ..	27	
				—	45
1 Company Mechanised	.. ..		123 Privates		
Less Tradesmen	.. ..		15 ,,		
			108		
Gunners — 32 ..	Entitlement 66 per cent.	.. ..	.. ..	21	
Privates — 76 ..	Entitlement 33 per cent.	.. ..	.. ..	25	
				—	46
HEADQUARTERS					
Troopers — 41 ..	Entitlement 33 per cent.	.. ..	.. ..	14	14
			Total Entitlement ..	.	261

261 × £P.15 per annum — £P.3,915

Item No. 39 Tradesmen's Pay	£P.48 p.a.	£P.36 p.a.	£P.15 p.a.		
3 Squadrons CAVALRY ..	—	—	33		
1 Company CAMELRY ..	—	—	5		
1 Company MECHANISED ..	—	—	15		
HEADQUARTERS	12	12	18		
do. M.T. TROOP ..	—	—	14		
	12	12	85		
=	£P.576	432	1,275	= £P.2,283	(Say £P.2,250)

Item No. 40 Good Conduct Pay	
800 Badges from 1st April, 1932, to 31st March, 1933, @ 10 mils. *per diem*. ..	£P.2,920
356 Badges will be issued during the financial year	580
	£P.3,500

COST OF LIVING FOR FINANCIAL YEARS 1932-33

		£P.
1	Lieutenant-Colonel	42
1	Second in Command	36
1	Adjutant	30
5	Majors	150
1	Senior Medical Officer	30
1	Senior Veterinary Officer	30
10	Captains	300
1	Signal Officer	30
1	Quartermaster	30
1	Paymaster	30
7	Warrant Officers	84
1	Farrier Sergeant	12
2	Mechanical Transport Staff Sergeants	24
1	Sagh	24
4	Local Officers, Class 1	96
1	Medical Officer	24
2	Medical Officers	48
1	Veterinary Officer	24
1	Clerk, Grade I	12
3	Clerks, Grade II	27
1	Clerk, Grade III	6
		£P.1,089

Included in Estimates £P.1089

TRANS-JORDAN FRONTIER FORCE EXTRAORDINARY.

Item	Details of Expenditure	Original Estimate	Revised Estimate	Actual Expenditure to 31st December, 1931	Expenditure for period 1st January, 1932, to 31st March, 1932	Total	Estimate 1932-33	Remarks
	IN PALESTINE.	£P.	£P.	£P.	£P.	£P.	£P.	
1	Construction of Camp, Samakh	4,600	4,510	4,250	260	4,510	—	
2	Construction of Camp, Beisan	7,500	7,335	6,690	300	6,990	345	
3	Construction of Camp. Jisr Majamie	9,400	9,130	8,010	500	8,510	620	
4	Construction of Camp, Rosh Pina	10,000	8,475	2,500	2,740	5,240	3,235	
			£P.29,450	£P.21,450	£P.3,800	£P.25,250	£P.4,200	
	IN TRANS-JORDAN.							
5	Erection of Records Office	225		—	—	—	225	See attached memorandum
6	Concrete Floor for Mechanical Transport Stores	40		—	—	—	40	
7	Erection of Fire Station	50		—	—	—	50	
							£P.315	
	TOTAL—TRANS-JORDAN FRONTIER FORCE, EXTRAORDINARY ..						£P.4,515	

Trans-Jordan Frontier Force, Extraordinary—1932-33.

Item 5.—It is proposed to include in next year's Estimates an item of extraordinary works expenditure in respect of a concrete building suitably equipped, in order to ensure that personal documents and other valuable or important files and documents may be safeguarded, as the risk of fire in the present semi-permanent offices is very great.

It will be recognized that as the Force is now pensionable, it is most essential that adequate provision should be made to ensure protection of the records of the Force, and this cannot be adequately carried out whilst they are kept in wooden hutments.

In this connexion, I would explain that it is quite impossible to prevent destruction by fire in Zerqa Camp owing to the extreme dry nature of the place, and as there is no permanent Home Record Office there would be no opportunity, in the event of destruction of records by fire, of replacing them.

The importance of maintaining personal records will be appreciated, and I would therefore request that your covering approval as an item of extraordinary expenditure in the proposed Estimates in next year, approximately £P.225, may be given.

Item 6.—Insufficient funds were available this year, and it is essential that a concrete floor be provided, owing to storage of valuable mechanical transport spares—stores, tyres, tubes, etc.

Item 7.—To provide accommodation for the Chemical Fire Engine—no building available at Zerqa.

C. 97748/32 [No. 2].

No. 62.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 66.]

Downing Street, 16th January, 1932.

SIR,

WITH reference to the letter from this Department of the 14th of January,* I am directed by Secretary Sir Philip Cunliffe-Lister to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch† from the High Commissioner for Trans-Jordan forwarding the detailed estimate of the Trans-Jordan Frontier Force for the financial year 1932 Their Lordships will observe that the totals of the estimate submitted by the High Commissioner are as follows :—

	£P.
Recurrent expenditure	178,890
Capital works in Palestine	4,200
Capital works in Trans-Jordan	315
	£P.183,405

No substantial alteration is made in the services for which provision is made as compared with those of the current year.

2. Under Item 26 provision is made for the payment of allowances to officers of the Trans-Jordan Frontier Force Reserve of British Officers during their periods of annual training. In this connexion I am to invite reference to your letter No. S. 36232 of the 15th of April, 1931.‡ Details of the scheme have not yet been furnished by the High Commissioner, and he will, therefore, be informed that pending approval of the scheme in detail, no expenditure under this item must be incurred.

2. Certain changes are proposed under Item 28 in the establishment of local officers. These changes are explained in the High Commissioner's covering despatch Their Lordships will recollect that, when the Estimates for the current year were first submitted to the Secretary of State, they contained provision for the promotion of certain Local Officers, and that these promotions were stated to form part of certain recommendations for improving the conditions of service of Local Officers in the Force. The general scheme had not, however, been fully considered by the Palestine Government, and it was eventually decided that the suggestions should be deferred. The proposals now put forward appear to the Secretary of State to be reasonable and equitable, and, subject to Their Lordships' concurrence, he proposes to approve them.

3. Provision is made under Item 31 for an additional Medical Officer, and, having regard to the number of stations occupied by the Force, Sir Philip Cunliffe-Lister considers that this additional appointment is fully justified.

* C. 89506/31 [No. 7] : not printed. † No. 61. ‡ C. 89495/31 [No 3] : not printed.

4. The expenditure for which provision is made under Item 55 is explained in the High Commissioner's despatch. There is already an Educational Officer in th Force, who is normally stationed at Headquarters at Zerqa, and, if the whole Force were concentrated at one point, Sir Philip Cunliffe-Lister would be disposed to consider that no additional expenditure on instruction in English would be justified. In view, however, of the desirability of giving such instruction to those members of the Force who are not stationed at Headquarters, he supports the proposal to employ 7 serving members of the Force as part-time teachers, and to grant to them an allowance at the rate of £P.12 a year. In this connexion the following paragraph from the Annual Report of the Trans-Jordan Frontier Force for the year 1930 is of interest :—

> " Owing to the wide distribution of the Force during the year, and the fact that the two Desert Companies have been employed continuously in operations, it has not been possible to organize classes for all units of the Force.
>
> The services of an Educational Officer have, however, been utilized in holding classes at Regimental Headquarters, Zerqa, in arithmetic, reading, and writing Arabic and English, geography and map reading for local officers, non-commissioned officers, and men, with good results."

5. Expenditure for which provision is made under Items 91-94 is in the Secretary of State's opinion fully justified.

6. With regard to capital expenditure, it will be observed that provision to the extent of £P.4,200 is made for capital works in Palestine and £P.315 for capital works in Trans-Jordan. The sum of £P.200 provided for the construction of camps in the Jordan Valley represents the unexpended balance of the sum of £10,500 which was approved for the completion of the camps In this connexion, I am to invite reference to your letter No S. 28979/02/2 of the 16th of September, 1931.* The original Estimates for the construction of the camps have been revised in order to bring the remaining expenditure within the amount authorized.

7. With regard to capital works in Trans-Jordan, I am to invite attention to the memorandum which accompanies the Estimates. In view of the considerations put forward, the Secretary of State feels that expenditure for which provision is made is justified.

8. As Their Lordships will have learnt from the letter from this Department of the 14th of January,† it is proposed that the Camel Company of the Force shall be converted into a mechanized Company during the next financial year. If this proposal is approved, a slight saving on the Estimates as now submitted will result, and the High Commissioner will be asked to furnish revised estimates. Pending a decision on the question of the mechanization of the Camel Company, however, I am to request that Their Lordships may be moved to approve the Estimates as submitted, subject to the reservation referred to above with regard to Item 26 and to any modifications which will be rendered necessary in the event of approval being given for the mechanization of the Camel Company on the basis already put forward.

8. As the proposal to mechanize another company of the Force will have comparatively little financial effect on the total expenditure on the Force, Sir Philip Cunliffe-Lister considers that the figures given in the Estimates as now submitted might be taken as a basis for calculating the provision to be made in the Colonial and Middle Eastern Services Estimate for 1932 as a grant-in-aid towards the cost of the Trans-Jordan Frontier Force. The amount which will fall to be met by His Majesty's Government on the basis of these figures is as follows :—

	£P.
Three-quarters of £P 178,890	134,167
Capital works in Trans-Jordan	315
Total	£P.134,482
say ...	£134,000

Subject to Their Lordships' concurrence, therefore, it is proposed to make provision accordingly. This represents a reduction of £1,600 in the figure furnished to Their Lordships in the letter from this Department of the 28th of October last.‡

I am, &c.,
O. G. R. WILLIAMS.

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* C. 89408/31 [No. 23] : not printed. † C. 89419/31 [No. 19] : not printed.
‡ C. 89506/31 [No. 3] : not printed.

C. 97748/32 [No. 3].

No. 63.

TRANS-JORDAN.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.
(Received 30th January, 1932.)
[*Answered by No.* 67.]

(Confidential " A.")

SIR, High Commissioner's Office, Jerusalem, 23rd January, 1932.

I HAVE the honour to refer to my Confidential despatch of the 31st December, 1931,* transmitting Estimates of Ordinary and Extraordinary Expenditure of the Trans-Jordan Frontier Force and to inform you that owing to certain changes having been introduced into the Estimates while they were in print there are inconsistencies between the typed Estimates sent with my despatch under reference and the estimates of the Trans-Jordan Frontier Force which were included in the printed Estimates of the Palestine Government which were forwarded under my despatch Confidential of the 31st December, 1931.

The numbering of the items in the despatch under reference does not correspond in some cases with the numbering of the items in the printed draft Estimates. In order, therefore, to simplify consideration of these draft Estimates, I shall be grateful if you will regard my despatch under reference as cancelled and replaced by this despatch. In this despatch reference is made to the items appearing in the printed Estimates.

2. The Ordinary and Extraordinary Estimates of the Trans-Jordan Frontier Force for the financial years 1932-33 provide for a total expenditure of £P.183,405 compared with £P.206,697 in the year 1931.

3. *Item* 28. *Local Officers.*—Provision was suggested in the original draft of the 1931 Estimates for rearranging the establishment of Local Officers in the higher grades with a view to ameliorating their conditions of service. These proposals were not, however, sufficiently advanced to permit of consideration in connexion with those Estimates, and it was therefore decided that there should be no change in this respect during 1931 (see paragraph 3 of Lord Passfield's Secret despatch of the 9th July, 1931,† and Mr. Young's despatch Secret A of the 23rd May, 1931‡).

Provision has been inserted in the present draft Estimates for a rearranged establishment of twenty-two Local Officers :—

1 Sagh	£P.300-20-400 plus duty allowance of £P.50 per annum.
4 Local Officers Class I (Kaid)	£P.300-20-400
8 Local Officers Class II (Rais)	£P.264
9 Local Officers Class III (Mulazim) ...	£P.216

The existing establishment is :—

1 Local Officer Class I	£P.300-20-400
6 Local Officers Class II	£P.264
15 Local Officers Class III	£P.216

The Officer Commanding the Trans-Jordan Frontier Force represents that under present arrangements there is little opportunity for promotion, and that this tends to diminish incentive and efficiency. The Air Officer Commanding, Palestine and Trans-Jordan, shares this view. While, therefore, it is not proposed to add to the number of Local Officers, it is proposed that the number in each rank should be variable and that after five years' service in a grade, Local Officers who are qualified for promotion should be advanced to the next higher rank.

Kaids, Class I, would ordinarily retire after five years' service in this rank. There would thus be a normal flow of promotion throughout the establishment.

The further suggestion is made that the senior combatant Kaid, who is at present on the maximum of the grade, £P.300-20-400, should be appointed " Sagh," not being placed on a higher scale of salary but receiving a duty allowance of £P.50 a year to establish his precedence over the combatant Kaids in Class I.

The foregoing proposals will involve an additional expenditure of £P.314 in 1932-33 and this increase is not likely to be augmented substantially in future years, on account of normal retirements.

4. *Item* 31. *Medical Officers.*—Provision is made for a third (Local) Medical Officer. Since an establishment of a Senior Medical Officer and two (Local) Medical

* No. 61. † No. 117 in Middle East No. 38. ‡ No. 111 in Middle East No. 38.

Officers was fixed, additional stations have been occupied by the Frontier Force at Beisan, Jisr Majami, Samakh, and Rosh Pina, all of which are permanent posts, and the strength of the Force has been increased by 200 men.

There is a permanent hospital at Zerqa, to which practically all surgical and medical cases from the Force are admitted. One Medical Officer is required for duty at Zerqa where he acts for the Senior Medical Officer when that officer is visiting out-stations or is on leave, and assists him generally and in particular as anæsthetist. A second Medical Officer must be permanently stationed at Ma'an.

At present the resident physician at the works of the Palestine Electric Corporation is paid for medical attention at Jisr Majami and Samakh Camps and a private practitioner in the settlement of Rosh Pina attends to patients at the Rosh Pina Camp under a similar arrangement. This, however, makes no provision for matters of sanitation in the Camps, or for the anti-malaria precautions which, in view of the unhealthy sites occupied, should be carried out constantly.

I have considered whether the medical care of the detachments of the Frontier Force in Palestine and the responsibility for the sanitary and anti-malarial supervision of the Camps could not be assumed by the Department of Health. It appears, however that this will not be possible. It may be necessary, in giving effect to the recommendation of the Financial Commission, to withdraw the Medical Officer of Health from Beisan and to amalgamate the Beisan and Tiberias districts. The Medical Officer, Tiberias, will then be unable to visit sick at the Samakh Camp; and it is difficult for the Medical Officer at Safad to find time among his other duties for visiting sick at the Rosh Pina Camp.

In the circumstances I regard the appointment of a third Medical Officer as essential : he would be primarily concerned with the Frontier Force Camps in Palestine, but would be available for duty in Trans-Jordan to relieve one of the other Medical Officers at Zerqa or Ma'an in case of necessity.

5. *Item* 55. *Remuneration of Part-time Teachers.*—Difficulty is being experienced in finding men in the ranks of the Frontier Force with a sufficient degree of literacy to be promoted to Local Officers. Recruits whose standard of literacy is adequate do not readily adapt themselves to the military life of the Force, and men who possess the qualities necessary for promotion to commissioned rank are lacking in education. It is essential that Local Officers should be literate and also have some proficiency in English, for the reason that in combined operations with the Military and the Air Force they must be able to co-operate with British Officers who may not be conversant with Arabic.

Provision has therefore been included in the draft Estimates under Item 55 to enable a beginning to be made with instruction in English. Seven serving members of the Force will be employed as part-time teachers, each receiving an honorarium of £P.12 a year. Such books and stationery as are necessary will be bought from funds provided under Item 82, Contingencies.

6. *Item* 91. *Purchase of Tentage.*—Tents must be kept in readiness for issue to columns sent out from Headquarters. The present supply for that purpose has, however, been in use for the last two years at Rosh Pina Camp, and a considerable part of it is no longer serviceable for the purpose.

7. *Item* 93. *Purchase of Weighing Machines.*—It is necessary to provide proper weighing machines at Beisan, Samakh, and Rosh Pina for the purpose of weighing forage. In view of the value of the forage contract (approximately £P.12,000 a year), I regard this service as essential. Spring balances are at present used but are unreliable and may facilitate short measure.

8. *Item* 94. *Purchase of Hotchkiss Gun.*—It is necessary to replace a gun which burst during firing practice and was damaged beyond repair.

9. In the programme of Extraordinary Works a considerable decrease in the requirements of the Force will be observed. This is explained by the fact that expenditure not exceeding £P.10,500 on completing permanent Camps at Samakh, Beisan, Jisr Majami and on constructing a permanent camp at Rosh Pina, has already been approved (see Mr. Thomas' Secret despatch of the 2nd October*). It is anticipated that most of this work will be finished by the commencement of 1932-33.

10. The following comments arise in connexion with the works in Trans-Jordan.

Item 4. *Erection of Records Office.*—It is proposed to erect a concrete building at Zerqa, suitably equipped for the safe custody of personal and other important records. These are at present housed in a semi-permanent wooden building exposed to the risk of destruction by fire.

* C. 89408/31 [No. 24] : not printed.

Item 5. *Concrete Floor for Motor Transport Stores.*—The funds previously provided for the erection of these stores did not allow for the laying down of a concrete floor, which is essential for the protection from damage by dust and sand of the valuable, and in some cases perishable, supplies.

Item 6. *Erection of Fire Station.*—No accommodation is at present available for the Chemical Fire Engine at Zerqa.

I have, &c.,
ARTHUR WAUCHOPE,
High Commissioner
for Trans-Jordan.

C. 97748/32 [No. 4].

No. 64.

TRANS-JORDAN.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 6th February, 1932.)

(Confidential " A.")

SIR, High Commissioner's Office, Jerusalem, 30th January, 1932.

I HAVE the honour to refer to the High Commissioner's despatch Confidential A (Trans-Jordan) of the 23rd January, 1932,* regarding the draft Estimates of Expenditure for the Trans-Jordan Frontier Force in the year 1932.

2. It had been intended to make provision under Item 44, Electricians, for increasing the monthly salary of the Senior Electrician from £P.12 to £P.15.

This man, B. Baruch, who has served with the Frontier Force for nearly four years, possesses a University diploma in electrical engineering, and is in charge of the power house at Zerqa, where the engines require constant and careful supervision. Additional work and responsibility have been imposed upon him by the installation of searchlights, of plant for charging batteries of mechanical transport, and of electric lighting in the Motor Transport Workshops.

In the circumstances, the Director of Public Works regards the proposed increase of pay as reasonable.

3. At the time, however, of the High Commissioner's decision to recommend this increase, the preparation of the draft Estimates had reached a stage at which the necessary change could not conveniently be made.

I shall be grateful, therefore, for special authority to pay Baruch at the higher rate from the 1st April, 1932, on the understanding that there are corresponding savings under Personal Emoluments.

I have, &c.,
M. A. YOUNG,
High Commissioner's Deputy.

C. 97748/32 [No. 5].

No. 65.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 66.]

Downing Street, 23rd February, 1932.

SIR,

WITH reference to the letter from this Department of the 16th January,† regarding the Estimates of the Trans-Jordan Frontier Force for the financial year 1932, I am directed by Secretary Sir Philip Cunliffe-Lister to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch* from the High Commissioner for Trans-Jordan on the subject, and to request that it may be substituted for the enclosure to the letter under reference.

2. It will be observed that no changes are made in the Estimates already submitted, but that references in the despatch are to the items as appearing in Heads XXIII and XXXI of the printed Palestine Estimates.

3. I am also to enclose a copy of a despatch‡ from the High Commissioner in which he requests special authority for the increase of the monthly salary of the senior

* No. 63. † No. 62. ‡ No. 64.

electrician of the Frontier Force from £P.12 to £P.15 with effect from the 1st of April next. Subject to Their Lordships' concurrence, Sir Philip Cunliffe-Lister would propose to give authority for this increase on the understanding that there are corresponding savings under Personal Emoluments.

I am, &c.,
O. G. R. WILLIAMS.

C. 97748/32 [No. 6].

No. 66.

TREASURY to COLONIAL OFFICE.

(S. 35961/06/32.)

SIR, Treasury Chambers, 15th March, 1932.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Williams's letters of the 16th January* and the 23rd February, 1932,† on the subject of the Estimates for the Trans-Jordan Frontier Force for the financial year 1932, which provide for a total expenditure of £P.183,405.

2. In reply I am directed to request you to inform the Secretary of State that, subject to the reservations made below, My Lords approve these Estimates. They have accordingly caused the sum of £134,000 as a grant-in-aid of the cost of the Force to be inserted under Sub-head I.2 of the Colonial and Middle Eastern Services Estimate, 1932.

3. As regards the rate of pay of the Senior Electrician of the Force, referred to in the Deputy High Commissioner's despatch of the 30th January, 1932,‡ I am to say that My Lords concur in the proposal of the Secretary of State to approve an increase in the monthly salary of this man from £P.12 to £P.15 with effect from the 1st of April, 1932, on the understanding that corresponding savings are made under other items of the provision for Personal Emoluments.

4. Their Lordships' approval of the Estimates is given subject to the reservations referred to in paragraph 8 of Colonial Office letter of the 16th January regarding (i) Item 26 which provides for the proposed payment of allowances to officers of the Trans-Jordan Frontier Force Reserve of British Officers during their periods of annual training, and (ii) any modifications which will be rendered necessary in the event of approval being given for the mechanization of the Camel Company.

5. As regards the grading of Local Officers (Item 28) My Lords note that provision has been inserted in the draft Estimates for the following re-arranged establishment of 22 Local Officers :—

1 Sagh, £P.300—20—400 plus duty allowance of £P.50.
4 Local Officers, Class I (Kaid) £P.300—20—400.
8 Local Officers, Class II (Rais) £P.264.
9 Local Officers, Class III (Mulazim) £P.216.

The existing establishment is :—

1 Local Officer, Class I £P.300—20—400.
6 Local Officers, Class II £P.264.
15 Local Officers, Class III £P.216.

In view of the representations made, My Lords are willing to agree to the upgrading which is proposed; but They see objection on general grounds to the further proposal that qualified Local Officers should be automatically advanced after five years' service in a grade to the next higher rank. In Their Lordships' view the number of posts in the higher grades should be determined with reference to the nature of the duties to be performed and should not depend upon the length of service of the several Officers on the establishment.

I am, &c.,
R. V. NIND HOPKINS.

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* No. 62. † No. 65. ‡ No. 64.

C. 97748/32 [No. 7].

No. 67.

TRANS-JORDAN.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Confidential.)

Downing Street, 24th March, 1932.

SIR,

I HAVE the honour to refer to your despatch Confidential " A " of the 23rd January,* submitting the draft Estimates for Ordinary and Extraordinary Expenditure of the Trans-Jordan Frontier Force for the financial year 1932-33, and to inform you that I approve the estimates as submitted subject to the following reservations

2. Under Head XXIII, Item 26, provision is made for the payment of allowances to officers of the Reserve of British Officers during their periods of annual training. In this connexion I would invite attention to Lord Passfield's Confidential despatch of the 30th of April, 1931.† Particulars of the scheme have not yet been submitted to me, and, in the circumstances, no expenditure should be incurred under this item pending approval of the scheme in detail.

3. With regard to the grading of Local Officers (Item 28), I note that provision has been inserted for the following re-arranged establishment of 22 Local Officers:—

1 Sagh—£P.300—20—400 plus duty allowance of £P.50.
4 Local Officers, Class I (Kaid)—£P.300—20—400.

(The scale £P.300—10—550 shown in the printed Estimates is obviously an error.)

8 Local Officers, Class II (Rais)—£P.264.
9 Local Officers, Class III (Mulazim)—£P.216.

The existing establishment is:—

1 Local Officer, Class I—£P.300—20—400.
6 Local Officers, Class II—£P.264.
15 Local Officers, Class III—£P.216.

In view of the representations made, the Lords Commissioners of the Treasury are willing to agree to the up-grading which is proposed, but they see objection, on general grounds, to the further proposal that qualified Local Officers should be automatically advanced after five years' service in a grade to the next higher rank. In Their Lordships' view the number of posts in the higher grades should be determined with reference to the nature of the duties to be performed and should not depend upon the length of service of the several officers on the establishment. In this connexion I have to invite attention to my despatch No. 15 of the 27th January‡ and to inform you that, in the circumstances, promotions of Local Officers should continue to be reported to me for approval.

4. Proposals are now under consideration for the mechanization of the Camel Company and, in the light of the information given in your Secret B despatch of the 27th February,§ it would appear that some slight saving on the Estimates as submitted will result in the event of those proposals being approved. My approval of the Estimates now submitted is therefore given subject to any modification which may be necessary to effect that saving in the event of its being decided that the Camel Company should be mechanized.

5. As the proposal to mechanize another Company of the Force will have comparatively little financial effect on the total expenditure, the figures given in the Estimates already submitted have been taken as a basis for calculating the provision to be made in the Colonial and Middle Eastern Services Estimate for 1932 as a grant-in-aid towards the cost of the Trans-Jordan Frontier Force. The amount which will fall to be met by His Majesty's Government on the basis of the figures submitted is as follows:—

	£P.
Three quarters of £P.178,890	134,167
Capital Works in Trans-Jordan	315
	£P.134,482

Provision has accordingly been made for a grant-in-aid of £134,000.

* No. 63 † C. 89495/31 [No. 4]: not printed. † C. 97735/32 [No 2]: not printed. § C. 97719/32 [No. 9]: not printed.

6. I take this opportunity to acknowledge receipt of your despatch Confidential " A " of the 30th of January* regarding the rate of pay of the Senior Electrician, and to inform you that I approve the increase in his monthly salary from £P.12 to £P.15 with effect from the 1st April, 1932, on the understanding that corresponding savings are made under other items of the provision for Personal Emoluments.

I have, &c.,
P. CUNLIFFE-LISTER.

Sub-head I.3.—Trans-Jordan Administration (Grant-in-Aid).

C. 89505/31 [No. 1].

No. 68.

TRANS-JORDAN.

THE SECRETARY OF STATE to THE ACTING HIGH COMMISSIONER.

(Sent 8.30 p.m., 16th October, 1931.)

TELEGRAM.

[*Answered by No.* 69.]

No. 118. TREASURY require submission of Estimates for 1932 by 31st October. Please telegraph by 25th October (A) total estimated expenditure on Trans-Jordan Frontier Force for 3 months ending 31st March, 1932, and separately for year ending 31st March, 1933. Expenditure on (1) recurrent and (2) extraordinary items should be separately shown. (B) Total estimated Revenue and Expenditure of Trans-Jordan Administration for period 1st April, 1932, to 31st March, 1933, and estimated surplus balance as at 31st March, 1932. Detailed Estimates should follow by mail as soon as possible, see paragraph 299 of O'Donnell Report.†—THOMAS.

C. 89505/31 [No. 2].

No. 69.

TRANS-JORDAN.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE

(Received 11.14 a.m., 24th October, 1931.)

TELEGRAM.

[*Answered by No.* 72.]

No. 79. 24TH OCTOBER. Your telegram No. 118.‡ Total estimated Revenue and Expenditure Trans-Jordan Administration for the period 1st April, 1932, to 31st March, 1933, are Revenue, £259,000. Expenditure Ordinary, £321,000. Extraordinary Expenditure, £13,000. Total, £334,000. Recommendations of O'Donnell Commission† regarding expenditure have been taken into account in framing the Estimates, and regard has been had to the Commission's recommendations regarding Revenue. Some of the recommendations regarding Revenue, however, involve legislation, and reconsideration of the Agreement, *i.e.*, regarding imports from Syria. In view of continued economic depression and consequent difficulty in collecting revenue it is not possible to give a higher estimate than that above. For the same reason no estimate of surplus available on 31st March, 1932, can be given. Every endeavour will be made to reach normal working balance of £4,000, but surplus is not likely to exceed that amount. As regards Trans-Jordan Frontier see my telegram No. 80.§

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* No. 64. † Middle East No. 43. ‡ No 68. § C. 89506/31 [No. 5]: not printed.

C. 89505/31 [No. 3].

No. 70.

COLONIAL OFFICE to TREASURY.

[*Answered by Nos.* 71 *and* 77.]

Downing Street, 28th October, 1931.

SIR,

I am directed by Mr. Secretary Thomas to transmit to you, to be laid before the Lords Commissioners of the Treasury, the accompanying copy of telegraphic correspondence* with the Acting High Commissioner for Trans-Jordan, on the subject of the Trans-Jordan Administration draft Estimates for 1932-33. The figures for the Trans-Jordan Frontier Force, which have been excluded from the above Estimates, will form the subject of a separate communication.

Their Lordships will observe that the Acting High Commissioner estimates that the deficit, allowing for a normal working balance of £4,000, will amount to £75,000, as follows:—

	£	£
Estimated Expenditure.		
Ordinary	321,000	
Extraordinary	13,000	
		334,000
Estimated Revenue		259,000
		£75,000

2. Subject to the concurrence of Their Lordships, Mr. Thomas proposes, pending the receipt of detailed estimates, to include the sum of £75,000 as a grant-in-aid of the Trans-Jordan Administration in the draft Estimate of the Vote for Colonial and Middle Eastern Services for 1932, *plus* the sum of £7,500 to meet probable expenditure on a locust campaign, making a total of £82,500.

3. With regard to the remarks contained in paragraph 318 of the Report of the O'Donnell Commission† on the subject of expenditure incurred on anti-locust measures, I am to point out that, while some part of the cost may be met by curtailment of expenditure on normal services, it is not considered that the whole cost can again be met, as in the current year, by that expedient.

4. As regards the estimate of Revenue, I am to observe that, for the reasons given in the Acting High Commissioner's telegram, the figure of £273,000 mentioned in paragraph 316 of the O'Donnell Report would appear to be unduly optimistic

I am, &c.,
O. G. R. WILLIAMS.

C. 89505/31 [No. 4].

No. 71.

TREASURY to COLONIAL OFFICE.

(S. 35961/01/32.)

Treasury Chambers, 7th November, 1931.

SIR,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Williams's letter of the 28th October, 1931,‡ transmitting a copy of telegraphic correspondence with the Acting High Commissioner for Trans-Jordan on the subject of the Trans-Jordan Administration draft Estimates for 1932.

In reply I am directed to request you to inform the Secretary of State that pending the receipt of detailed Estimates My Lords agree that an amount of £82,000 as a grant-in-aid of the Trans-Jordan Administration may provisionally be inserted in the draft Estimate of the Vote for Colonial and Middle Eastern Services, 1932, such amount being composed of the sum of £75,000 referred to in Mr. Williams's letter, a sum of £5,000 for a locust campaign, and a sum of £2,000 for the Syrian Boundary Commission.

I am, &c.,
R. V. NIND HOPKINS

---

*Nos. 68 and 69. † Middle East No 43. ‡ No. 70.

C. 89505/31 [No. 6].

No. 72.

TRANS-JORDAN.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER

(Sent 4.50 p.m., 7th January, 1932.)

TELEGRAM.

[*Answered by No.* 73.]

No. 4. YOUR telegram No 79 of 24th October.* When may I expect detailed Estimates of Revenue and Expenditure of Trans-Jordan Administration 1932-33. Treasury desire to settle grant-in-aid for the next year by first week in February and we must have time to examine details.—CUNLIFFE-LISTER.

C. 97738/32 [No. 1].

No. 73.

TRANS-JORDAN.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE

(Received 10.44 a.m., 11th January, 1932.)

TELEGRAM.

[*Answered by No.* 74.]

No 4. 11TH JANUARY. Your telegram No. 4 of 7th January.† Trans-Jordan Administration Estimates 1932-33. Completion of preparation (of) has been delayed by necessity of obtaining Amir's assent to additional economies in expenditure which have been recommended by local Economy Committee, see my despatch Confidential A. of 24th December, 1931.‡

British Resident is pressing Government to obtain assent and every effort will be made to expedite transmission of Estimates.

C. 97738/32 [No. 3].

No. 74.

TRANS-JORDAN.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 4.15 p.m., 13th January, 1932.)

TELEGRAM.

[*Answered by No.* 75.]

No. 5 YOUR telegram No. 4 of 11th January.§ Trans-Jordan Administration Estimates, 1932.

Please telegraph by 15th latest Estimate of Revenue and Expenditure excluding Trans-Jordan Frontier Force and ignoring balance in hand on 31st March, 1932.—CUNLIFFE-LISTER.

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* No. 69. † No. 72. ‡ C. 97737/32 [No. 1]: not printed. § No. 73.

C. 97738/32 [No. 5].

No. 75.

TRANS-JORDAN.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 3.30 p.m., 15th January, 1932.)

[*Answered by No.* 76.]

No. 6. 15TH JANUARY. Your telegram No. 5 of the 13th January.* Trans-Jordan Estimates, 1932. Amir has assented to additional economies referred to in my telegram No. 4 of 11th January.† The total savings effected will amount approximately to £22,000 in the current year. Detailed Estimates of Revenue and Expenditure are now being prepared as expeditiously as possible, but pending their completion it is not possible to furnish any later Estimates than those given in my telegram No. 79 of 24th October last‡ which exclude Trans-Jordan Frontier Force and take no account of balance in hand on the 31st March next. I will telegraph revised figures as soon as detailed Estimates are received from British Resident.

C. 97738/32 [No. 7].

No. 76.

TRANS-JORDAN.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 7.50 p.m., 22nd January, 1932.)

TELEGRAM.

No. 7. YOUR telegram of 15th January, No. 6.§ Trans-Jordan Administration Estimates, 1932. I appreciate your difficulties, but in view of early closing of Colonial and Middle Eastern Services Estimate I fear that I must ask you to telegraph on 25th January latest revised figures for revenue and expenditure, and detailed estimates should follow earliest possible mail.—CUNLIFFE-LISTER.

C. 97738/32 [No. 14].

No. 77.

TREASURY to COLONIAL OFFICE.

[*Answered by No.* 79.]

(S. 35961/01/32.)

Treasury Chambers, 15th February, 1932.

SIR,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Williams's letter of the 28th October, 1931,‖ and subsequent semi-official correspondence on the subject of the amount to be provided in the Colonial and Middle Eastern Services Estimate, 1932, as a contribution to the expenses of the Trans-Jordan Administration.

In reply I am directed to request you to inform the Secretary of State that My Lords regret that the information which has been received from the Trans-Jordan Administration is insufficient to enable a reliable estimate to be framed of the requirements during the forthcoming year. They trust that in future years the High Commissioner will furnish details of anticipated revenue and expenditure well in advance of the date when the provision to be made in the Estimate for Colonial and Middle Eastern Services has to be settled for submission to Parliament.

In the absence of detailed information My Lords have caused the sum of £82,000 to be provided under Sub-head I.3 of the Estimate, to cover the contribution to the costs of administration in Trans-Jordan, including any expenditure that may be necessary on a locust campaign, and the expenses of the Syrian Boundary Commission. In arriving at the figure of £82,000 My Lords have had in mind the amount of the grant-in-aid during the current year and the recommendations of the Financial Commission regarding the amount of the grant-in-aid for 1932-33. My Lords realize that in the present period of depression it may not be possible to reduce the budget deficit in Trans-Jordan to the extent contemplated by the Financial Commission and They

* No. 74. † No. 73. ‡ No. 69. § No. 75. ‖ No. 70.

have accordingly made a substantial addition to the sum recommended by the Commissioners. They trust, however, that every effort will continue to be made to reduce expenditure and increase revenue and that it may not prove necessary to issue the whole of the grant-in-aid of £82,000 now approved for 1932-33.

I am, &c.,
R. V. NIND HOPKINS.

C. 97738/32 [No. 19].

No. 78.

TRANS-JORDAN.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 23rd March, 1932.)

[*Answered by No.* 81.]

(Confidential.)

SIR,

High Commissioner's Office, Jerusalem, 17th March, 1932.

I HAVE the honour to refer to my telegram No. 8 of the 25th January, 1932,* on the subject of the Estimates of Revenue and Expenditure of the Trans-Jordan Administration for the year 1932-33 and to forward herewith detailed estimates of Revenue and Expenditure.

The following statements are enclosed with this despatch :—

(i) An Abstract of Estimated Revenue.
(ii) An Abstract of Estimated Expenditure.
(iii) A Summary showing the Estimated Surplus at the 31st March, 1933.
(iv) A Statement of Assets and Liabilities as at 31st March, 1931.
(v) Schedules of the Estimated Revenue.
(vi) Schedules of the Estimated Expenditure.
(vii) A memorandum of the Estimates of Revenue and Expenditure by the Financial Adviser
(viii) A covering letter from the British Resident.

2. The finally revised Estimates by heads for the year 1931-32 were submitted to you with my despatch Confidential of the 10th March.† As the Estimates for the approaching year had been compiled before the final revise was prepared the figures in the abstracts of estimated revenue and expenditure in the column Revised Estimates 1931-32 related to the estimates forwarded with my despatch, Confidential of the 30th January.‡

An additional column showing the figures in the final revise has therefore been included in the abstracts.

3. The following summary shows the estimated revenue for the year 1932-33 as compared with the revised estimated revenue for the year 1931-32.

	1932-33.		
	Total Revenue		£P.358,107
	Total Revenue.		
less (i)	Grant-in-Aid Trans-Jordan Administration	£P.84,000	£P.114,567
(ii)	Grant-in-Aid Trans-Jordan Frontier Force	£P.30.567	
	=Total revenue less (i) and (ii), £P.243,540.		
	1931-32.		
	Total Revenue		£P.348,690
	Total Revenue.		
less (i)	Grant-in-Aid Trans Jordan Administration	£P.84,700	£P.119,150
(ii)	Grant-in-Aid Trans-Jordan Frontier Force	£P.34,450	
	=Total revenue less (i) and (ii), £P.229,540.		

It will be observed that the estimated revenue for 1932-33 exceeds the finally revised estimate of revenue for 1931-32 by £P.14,000.

* C. 97738/32 [No. 8] : not printed. † No. 204 in Middle East No. 38.
‡ No. 197 in Middle East No. 38.

4. I have already commented in my despatch Confidential of the 10th March on the difficulties experienced by the Trans-Jordan Government in raising revenue. Nevertheless, in spite of the general poverty of the country, there is reason to hope that the situation of the agricultural classes will undergo some improvement this year and that it will not be necessary to remit taxes to the extent to which remission was granted in 1931-32.

Greater provision has therefore been made in respect of tithes and werko.

A further source of revenue contributing to the increase is that which will be derived from the sale of an issue of pictorial stamps, for it was not possible to introduce this issue in 1931-32 as was intended.

The revenue estimates are commented on in greater detail in the Financial Adviser's memorandum.

5. It will be seen that the following provision is made in regard to expenditure :—

	£P.
Total Ordinary Expenditure	314,340
One-sixth Trans-Jordan Frontier Force Ordinary Expenditure	29,815
Extraordinary Expenditure	13,200
One-sixth Trans-Jordan Frontier Force Extraordinary Expenditure	752
Total	£P.358,107
Total less Trans-Jordan Frontier Force Expenditure ...	£P.327,540

The estimates consequently provide for a grant-in-aid to the Trans-Jordan Administration of £P.84,000, or £700 less than the grant which was finally approved in 1931-32.

(It is mentioned in paragraph 3 of the British Resident's letter which forms enclosure 8 that provision is made for a grant-in-aid of £P.84,000 on the assumption that £P.86,000 is provided in the year 1931-32. This letter was, however, written before the estimates for 1931-32 were finally revised.)

6. The estimates of expenditure are generally explained in the Financial Adviser's memorandum, but I would invite attention to the following specific points.

Head XII, Education, Item 53.—In consequence of the criticisms in paragraph 303 of the report of the Financial Commission, the scheme for opening an Agricultural School in Trans-Jordan has been abandoned. It is proposed instead, that four boys should be sent for a three years' course of training in the Tulkarm Agricultural School; and ultimately eight more boys, in drafts of four each year, will be sent in successive years.

It is estimated that the cost of this scheme will be £P.400 in the year 1932-33. Details of the scheme are now being elaborated in consultation with the Palestine Department of Agriculture.

As a further consequence of this scheme the two highest secondary classes in the Irbid School will be suppressed at the end of the current scholastic year

Head XVIII, Police and Prisons.—The expenditure on the Desert Patrol has been merged in the general Police estimates. As it is the intention that Captain Glubb should become second-in-command of the Arab Legion (see my despatch Confidential dated the 11th December, 1931*), there is no occasion to preserve a separate sub-head for the Desert Patrol.

Item 31.—Provision is made for three cadets to be appointed to the Arab Legion after a period of training in the Palestine Police Training School. I think it is a matter of importance that the supply of young trained officers to the Arab Legion should be available, particularly as the number of Arab officers in the Legion has been reduced from 32 to 29 (*vide* Items 24, 25, 26, 27, 28, 29, 30, and 53 under "A" Police; Items 1, 2, and 3 under "B" Prisons; and Items 4 and 5 under "E" Desert Patrol).

* C. 80442/31 [No 12] : not printed.

Items 49, 50, *and* 51.—*Drivers and Fitters for the Desert Patrol.* The estimates 1931-32 provide for the following :—

	£P.
10 drivers (£P.10 *per mensem*)	1,200
1 fitter (£P.12 *per mensem*)	144
	£P.1,344

The estimates for the year 1932-33 provide for :—

	£P.
9 drivers, 1st class (£P.9 *per mensem*)	972
6 drivers, 2nd class (£P.5 *per mensem*)	360
Fitter allowance to 4 drivers (£P.1 *per mensem*)	48
	£P.1,380

Increase, £P.36.

Although the scheme, which is explained in the memorandum, results in a slight increase in cost, economy will result in course of time from the replacement of the first-class drivers by trained Bedouins.

Head XXIV, Public Works Extraordinary.—£P.8,000 only has been provided under this Head, viz., £P.2,000 below the maximum recommended by the Financial Commission (paragraph 302 of the report).

7. As I have stated above the grant-in-aid which it is estimated will be required in the year 1932-33 is £P.84,000 as compared with the figure of £P.59,000 which the Financial Commission considered would suffice for the year (paragraph 316 of the report).

I am addressing you separately with regard to the recommendations which have been made by the Commission for increasing the revenue of the Trans-Jordan Government.

The following comments, however, will assist to elucidate the difference between the grant requested and the grant recommended by the Commission.

8. The Commission took as their figure for revenue the figure inserted in the original estimates for the year 1931-32, namely, £P.263,850. In order to arrive at their estimate of revenue for 1932-33 they added sums as follows :—

	£
Syrian Customs	2,000
Increase of tobacco duty	2,000
Increase of duty on benzine, sugar, and matches	2,000
Increase of Land Tax	2,500
Sharia' Court Fees	1,000
Inland Postage Rate	200
	£9,700

thus increasing the total revenue of £P.273,550; the Commission took a round figure of £P.273,000.

9. This estimate is, however, falsified by the fact that as the result of remissions of taxation and of the general decline in revenue which has occurred in the later part of the year, the revenue will not reach the figure £P.263,850.

The revenue estimate for the year 1932-33 is only £P.243,540, namely, approximately £P.29,000 less than the Financial Commission anticipated would be realized.

The deficit is accounted for as follows :—

	£P.
(*a*) Under Customs and Excise (Head I) the Estimate for 1932-33 is £P.10,500 lower than the original estimate for 1931-32 ...	10,500
(*b*) The estimate for Licences and Taxes (Head II) is less by £P.7,800 than the original estimate for 1931-32	7,800
(*c*) The revenue from Fees of Court (Head III) is less by £P.1,350 than the original estimate for 1931-32	1,350
(*d*) The revenue from Posts and Telegraphs (Head IV) is less by £P.960 than the original estimate for 1931-32	960
(*e*) The anticipated revenue from Government property (Head V) is less by £P.2,050 than the original estimate for 1931-32 ...	2,050
Add—	
(*f*) Increase from Syrian Customs dues anticipated by the Commission which is not likely to be realized	2,000
(*g*) Increase from increased customs dues on benzine, sugar, and matches which is not likely to be realized	2,000
(*h*) Imposition of Excise Duty on " hashieh " tobacco which will not be realized	2,000
(*i*) Increase from Land Tax. The Law has not yet been passed...	2,500
(*j*) Increase from Sharia' Court Fees. The Law has not yet been changed	1,000
(*k*) Increase from raising inland postage rate as anticipated by the Commission (which is now unlikely to be introduced) ...	200
Total deficit on Revenue	£P.32,360

Deduct the following increases in the estimates for 1932-33 as compared with the original estimates for 1931-32.

	£P.
(*a*) Head VI, Interest	60
(*b*) Head VII, Miscellaneous	2,090
(*c*) Head VIII, Sale of State Domain	200
	£P.2,350

Net deficit on revenue, £P.30,010.

10. Against this deficit in the revenue must be set a saving of approximately £P.4,460 on the estimate of expenditure framed by the Financial Commission who estimated that there would be a total expenditure of £P.332,000 in the year 1932-33, whereas the expenditure for which provision has been made in the draft estimates is only £P.327,540.

This saving reduces the disparity between the grant provided for in the draft estimates and that recommended by the Financial Commission to approximately £P.25,000.

11. The Land Tax Law is now under discussion in the Legislative Council and proposals for increasing Sharia' Court Fees are also under consideration. I therefore trust that I shall be able to inform you at an early date that the grant-in-aid may be reduced on account of increased revenue from these two sources.

12 As stated above the other recommendations of the Commission for increasing revenue will be the subject of a separate despatch.

I have, &c.,
ARTHUR WAUCHOPE,
High Commissioner for Trans-Jordan.

Enclosure 1 in No. 78.

TRANS-JORDAN ESTIMATES, 1932–33.

ABSTRACT SHOWING THE ACTUAL REVENUE FOR 1930-31, AND THE ESTIMATED REVENUE FOR 1931-32, AND 1932-33.

Head of Revenue.	*Actuals* 1930-31.	*Original Estimates* 1931-32.	*Revised Estimates* 1931-32.	*Final Revised Estimates** 1931-32.	*Estimates* 1932-33.
	£P.	£P.	£P.	£P.	£P.
1. Customs and Excise	64,956	72,000	65,000	64,000	61,500
2. Licences, Taxes, &c.	133,381	140,300	122,000	118,100	132,500
3. Fees of Court, &c.	26,189	27,350	24,770	24,700	26,000
4. Posts, Telegraphs and Telephones ..	18,777	16,200	13,200	12,000	15,240
5. Revenue from Government Property	3,276	5,500	3,400	3,400	3,450
6. Interest	967	890	640	840	950
7. Miscellaneous	1,106	810	4,840	5,200	2,900
8. Sale of State Domains	1,412	800	1,300	1,300	1,000
Total Local Revenue ..	250,064	263,850	235,150	229,540	243,540
9. Grant-in-Aid to Trans-Jordan Government ..	84,000	86,700	82,500	84,700	84,000
10. Grant-in-Aid to Trans-Jordan Frontier Force..	33,452	34,450	34,450	34,450	30,567
Total Receipts	£P.367,516	£P.385,000	£P.352,100	£P.348,690	£P.358,107

* *See* High Commissioner's Confidential despatch of the 10th March, 1932.

Enclosure 2 in No. 78.

Abstract showing the Actual Expenditure for 1930-31, and the Estimated Expenditure for 1931-32 and 1932-33.

	Head of Expenditure.	*Actuals* 1930-31	*Original Estimates* 1931-32.	*Revised Estimates* 1931-32.	*Final Revised Estimates* 1931-32.*	*Estimates* 1932-33.
		£P.	£P.	£P.	£P.	£P.
1.	Civil List	13,556	14,610	14,020	14,020	14,454
2.	Public Debt and Loan Charges	730	590	590	590	590
3.	Legislature	3,598	4,082	3,782	3,780	3,788
4.	Pensions and Gratuities	5,155	4,400	5,300	4,750	5,800
5.	Chief Minister and Interior	3,715	4,071	3,839	3,750	3,897
6.	District Administration	7,294	7,337	7,267	7,100	7,464
7.	Legal Department	15,023	16,117	15,805	15,470	15,863
8.	Sharia' Courts	3,641	3,961	3,834	3,820	3,752
9.	Ministry of Finance	14,810	16,524	15,544	14,700	15,507
10.	Customs and Excise	6,897	8,109	8,037	7,420	8,112
11.	Public Health Department	10,900	12,646	11,943	11,530	12,877
11A.	Ma'an Quarantine	—	106	106	—	95
12.	Education	21,721	25,496	23,888	21,700	24,713
13.	Agriculture, Forests, and Veterinary	5,296	8,312	7,146	6,250	6,875
14.	Antiquities	2,376	2,951	2,735	2,650	2,810
15.	Public Works Department	4,480	5,105	4,803	4,340	5,109
15A.	Public Works Recurrent	16,690	23,700	18,242	18,000	18,300
16.	Posts, Telegraphs and Telephones	11,451	14,928	13,553	12,500	13,345
17.	Lands Department	12,636	14,762	14,402	13,380	14,634
18.	Police and Prisons:					
	A. Police	81,128	85,449	85,099	82,885	102,702
	B. Prisons	11,231	12,853	12,602	11,802	12,777
	C. Intelligence	869	—	—	—	—
	D. His Highness's Guard	1,874	—	—	—	—
	E. Desert Patrol	3,674	16,813	16,713	16,313	—
19.	Miscellaneous	10,507	11,438	9,480	9,358	9,395
20.	British Resident	7,003	6,979	6,979	6,450	6,622
21.	Audit Department	3,271	4,287	3,449	3,400	3,493
22.	Tribal Control Board	1,468	1,510	1,510	1,250	1,366
	Total Ordinary Expenditure, Trans-Jordan Government	280,994	327,100	310,668	297,208	313,340
23.	Trans-Jordan Frontier Force Ordinary (one-sixth)	29,900	30,909	30,909	30,909	29,815
	Total Ordinary Expenditure	310,894	358,009	341,577	328,117	343,155
	Extraordinary.					
24.	Public Works Extraordinary	4,894	15,500	12,625	12,500	8,000
25.	Posts and Telegraphs	833	3,550	2,967	1,960	1,600
26.	Police and Prisons	7,276	600	7,256	7,210	1,400
27.	British Resident	—	300	300	300	—
28.	H.H. The Amir (Land Development)	—	3,000	3,000	3,000	—
30.	Antiquities Extraordinary	59	500	400	—	—
31.	Anti-Locust Campaign	21,121	—	—	—	2,200
32.	Nejd Arbitration	1,903	—	—	—	—
33.	Trans-Jordan-Syria Boundary Commission	—	—	1,000	400	—
	Total Extraordinary Expenditure, Trans-Jordan Government	36,086	23,450	27,548	25,370	13,200
34.	Trans-Jordan Frontier Force Extraordinary (one-sixth)	3,552	3,541	3,541	3,541	752
	Total Extraordinary Expenditure	39,638	26,991	31,089	28,911	13,952
	Total Expenditure	£P.350,532	385,000	372,666	357,028	357,107

* *See* High Commissioner's despatch Confidential of the 10th March, 1932.

Enclosure 3 in No. 78.

Summary showing the Estimated Surplus at 31st March, 1933 on the basis of the Finally Revised Estimates for 1931-32 and the Draft Estimates for 1932-33.

	£P.	£P.	£P.
Actual Surplus at 31st March, 1931			12,338
Actual Receipts, 1st April, 1931, to 31st December, 1931:—			
Local Revenue	184,105		
Grant-in-Aid, Trans-Jordan Frontier Force	16,575		
Grant-in-Aid, Trans-Jordan Government	37,750		
		238,430	
Estimated further Receipts, 1st January, 1932, to 31st March, 1932:—			
Local Revenue	45,435		
Grant-in-Aid, Trans-Jordan Frontier Force	17,875		
Grant-in-Aid, Trans-Jordan Government	46,950		
		110,260	
			348,690
			£P.361,028
Actual Expenditure, 1st April, 1931, to 31st December, 1931:—			
Ordinary	232,087		
Extraordinary	8,171		
		240,258	
Estimated further Expenditure, 1st January, 1932, to 31st March, 1932:—			
Ordinary	96,030		
Extraordinary	20,740		
		116,770	
			357,028
Estimated Surplus at 31st March, 1932			£P.4,000
Estimated Receipts, 1st April, 1932, to 31st March, 1933:—			
Local Revenue		243,540	
Grant-in-Aid, Trans-Jordan Frontier Force		30,567	
Grant-in-Aid, Trans-Jordan Government		84,000	
			358,107
			£P.362,107
Estimated Expenditure, 1st April, 1932, to 31st March, 1933:—			
Ordinary		344,155	
Extraordinary		13,952	
			358,107
Estimated Surplus at 31st March, 1933			£P.4,000

A. L. Kirkbride,
Financial Adviser

Enclosure 4 in No. 78.

Statement of Assets and Liabilities as at 31st March, 1931.

Liabilities.	£P.	Mils.	£P.	Mils.
Deposits—				
Customs	191	459		
Municipal	619	759		
Execution	405	713		
Orphans' Estates	151	280		
Municipal Water Supply	800	096		
Village Water Supply	920	148		
Agricultural Bank	1	070		
Trans-Jordan Frontier Force	944	642		
Earthquake Relief (Advance by His Majesty's Government)	14,000	000		
Posts and Telegraphs Department	3,666	505		
Police and Prisons Guarantee Fund	1,557	283		
Sundry Deposits	2,069	281		
			25,327	236
Remittances—				
Trans-Jordan Account with Crown Agents	294	233		
Trans-Jordan Account with Palestine Treasury	4	265		
			298	498
Excess of Assets over Liabilities			12,337	131
			£P.37,962	865

Assets.	£P.	Mils.	£P.	Mils.
Advances—				
Agricultural Bank	4,000	000		
Artesian Well, Irbid	127	633		
British Resident	5,035	294		
Earthquake Relief Loans	6,089	713		
His Highness the Amir	668	155		
Posts and Telegraphs Department	536	388		
Police and Prisons Department	743	916		
Seed Corn Loans	70	822		
Zizia Land Account	1,000	000		
Sundry Advances	3,609	164		
			21,881	085
Imprests			3,069	327
Remittances in Transit—				
Posts and Telegraphs Department			157	575
Cash and Bank Balances			12,854	878
			£P.37,962	865

Examined

.....
Chief Examiner
(Mudir El Tadkik and Tahkik).

.....
Auditor.

Ministry of Finance,
Trans-Jordan.

Statement of Cash and Bank Balances of the Treasury, Amman, as at 31st March, 1931.

		£P.	Mils.	£P.	Mils.
Cash balance as per Cash Book				733	225
Bank balance as per Bank Pass Book and bank certificates:—					
Current account		6,429	138		
Deposit account		5,128	205		
		11,557	343		
Less unpresented cheques		8,771	680	2,785	663
	Total			£P.3,518	888

Certified that the above is a true statement of the cash and bank balances of the Treasury, Amman, as at 31st March, 1931.

Distribution of Cash and Bank Balances held locally on 31st March, 1931.

			£P.	Mils.	£P.	Mils.
Amman Treasury,	in Bank		2,785	663		
,, ,,	in Cash		733	225		
					3,518	888
Sub-Accountant—Es	Salt				1,025	023
,,	Karak				1,357	081
,,	Irbid				3,133	306
,,	Tafileh				235	823
,,	Jarash				518	076
,,	Madaba				144	796
,,	Ma'an				640	342
Postmaster General,	in Bank		52	466		
,, ,,	in Cash		674	433		
					726	899
British Resident,	in Bank				125	693
O.C. Police and Prisons,	in Bank		990	281		
,, ,,	in Cash		438	670	1,428	951
		Total			£P.12,854	878

Certified that the above is a true statement of the Cash and Bank balances held locally as at 31st March, 1931.

Enclosure 5 in No. 78.

Trans-Jordan Estimates of Revenue for Financial Year, 1932-33.

Head and Sub-Head.	*Revised Estimates 1931-32.*	*Estimates 1932-33.*	*Increase.*	*Decrease.*	*Remarks.*
	£P.	£P.	£P.	£P.	
Head I. Customs and Excise.					
1. Customs Share, Syria	8,000	4,000	—	4,000	
2. Customs Share, Palestine	25,500	25,500	—	—	
3. Import Duty collected locally	19,700	20,000	300	—	
4. Excise Duty on Intoxicating Liquor	700	800	100	—	
5. Excise Duty on Tobacco	8,000	8,000	—	—	
6. Examination Fees	2,000	2,000	—	—	
7. Miscellaneous	500	500	—	—	
8. Banderolle Fees on Matches	100	200	100	—	
9. Duty on Cigarette Paper	500	500	—	—	
Total Customs and Excise	£P. 65,000	61,500	500	4,000	Net decrease £P.3,500
	£P.	£P.	£P.	£P.	
Head II. Licences, Taxes, &c.					
1. Licences, Advocates	50	60	10	—	
2. Licences, Vehicles	660	450	—	210	
3. Licences, Driving, Registration Fees on Cars	270	300	30	—	
4. Licences, Forests and Quarry	480	450	—	30	
5. Licences, Sale of Intoxicating Liquors	300	300	—	—	
6. Licences, Sale of Tobacco	550	550	—	—	
7. Licences, Other	40	40	—	—	
8. Taxes, Animal	40,000	38,000	—	2,000	
9. Taxes, House and Land	17,600	20,000	2,400	—	
10. Taxes, Tamattu	5,500	4,000	—	1,500	
11. Taxes, Road	6,600	7,150	550	—	
12. Tithe	37,600	48,000	10,400	—	
13. Revenue Stamp Duty	3,700	3,700	—	—	
14. Hedjaz Stamp Duty	3,000	3,000	—	—	
15. Fines and Forfeitures	2,250	3,000	750	—	
16. Allenby Bridge Tolls	3,400	3,500	100	—	
Total Licences, Taxes, &c.	£P. 122,000	132,500	14,240	3,740	Net increase £P.10,500

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Head and Sub-Head.	*Revised Estimates 1931-32.*	*Estimates 1932-33.*	*Increase.*	*Decrease.*	*Remarks.*
	£P.	£P.	£P.	£P.	
Head III. Fees of Court or Office, &c., &c.					
1. Court Fees, Civil	5,850	5,900	50	—	
2. Court Fees, Sharia'	1,850	1,750	—	100	
3. Court Fees, Tribal	80	80	—	—	
4. Notary Public Fees	1,400	1,650	250	—	
5. Land Registry Fees	3,100	3,150	50	—	
6. Passport Fees	620	600	—	20	
7. Nationality Certificate Fees	540	500	—	40	
8. Tourist Fees	600	450	—	150	
9. Medical Services and Hospital Receipts	200	850	650	—	
10. Veterinary and Animal Quarantine Fees	1,450	1,600	150	—	
11. Education and Arts and Crafts Receipts	800	800	—	—	
12. Sale of Publications and Maps	100	400	300	—	12. Includes £P.250 for sale of Maps which is a new item
13. Sale of Departmental Stores	400	500	100	—	
14. Pension Contributions	6,850	7,050	200	—	
15. Miscellaneous Reimbursements	130	170	40	—	
16. Registration of Trade Marks	800	550	—	250	
Total Fees of Court or Office, &c.	£P.24,770	26,000	1,790	560	Net increase £P.1,230
Head IV. Posts, Telegraphs and Telephones.					
1. Sale of Stamps	5,000	7,000	2,000	—	
2. Commission on Money Orders and Poundage on Postal Orders	200	300	100	—	
3. Telephone Rentals and Installation Fees	2,400	2,350	—	50	
4. Telephone Trunk Calls	3,650	3,550	—	100	
5. Telegrams	1,500	1,600	100	—	
6. Parcel Post	280	300	20	—	
7. Miscellaneous Receipts	90	70	—	20	
8. Post Office Box Rentals	80	70	—	10	
Total Posts, Telegraphs and Telephones	£P.13,200	15,240	2,220	180	Net increase £P.2,040
Head V. Revenue from Government Property.					
1. Rent of Land and Buildings	200	450	250	—	
2. Rental Tithe	1,300	1,000	—	300	
3. Forest and other State Domain Revenues	1,900	2,000	100	—	
Total Revenue from Government Property	£P.3,400	3,450	350	300	Net increase £P.50

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Head and Sub-Head.	*Revised Estimates 1931-32.*	*Estimates 1932-33.*	*Increase.*	*Decrease.*	*Remarks.*
	£P.	£P	£P.	£P.	
Head VI. Interest.					
1. Bank Balances	90	95	5	—	
2. Earthquake Relief Loans	400	360	—	40	
3. Interest on Advance to Agricultural Bank	150	355	205	—	
4. Interest on Treasury Loans to Cultivators	—	140	140	—	
Total Interest	£P.640	950	350	40	Net increase £P.310
Head VII. Miscellaneous Receipts.					
1 Sundry	615	650	35	—	
2. Share Profits Palestine Currency	4,225	2,250	—	1,975	
Total Miscellaneous	£P.4,840	2,900	35	1,975	Net decrease £P.1,940
Head VIII. Sale of State Domains	£P.1,300	1,000	—	300	Net decrease £P.300
Head IX. Grant-in-Aid by His Majesty's Government to Trans-Jordan Government.	£P 82,500	84,000	1,500	—	Net increase £P.1,500
Head X. Grant-in-Aid by His Majesty's Government to Trans-Jordan Frontier Force.	£P.34,450	30,567	—	3,883	Net decrease £P.3,883

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Enclosure 6 in No. 78.

Trans-Jordan Estimates of Expenditure for Financial Year 1932-33.

Head and Sub-Head.	*Revised Estimates 1931-32.*	*Estimates 1932-33.*	*Increase.*	*Decrease.*	*Remarks.*
	£P.	£P.	£P.	£P.	
Head I. Civil List.					
1. His Highness the Amir					
(*a*) His Highness's Personal Allotment	12,000	12,000	—	—	
(*b*) His Highness The Amir Talal	410	820	410	—	(1*b*) Provision for half-year in 1931-32
2. Personal Adviser £P.38—2—46	480	504	24	—	(2) Increment
3. Secretary 32—1—37	444	444	—	—	
4. Doctor 26—1—31	312	312	—	—	
5. Clerk and Imam 9—½—12	144	144	—	—	
6. Driver	180	180	—	—	
7. Compensatory Allowance	14	14	—	—	
8. Orderly	36	36	—	—	
Total Civil List	£P.14,020	14,454	434	—	Net increase £P.434
Head II. Public Debt and Loan Charges.					
1. Interest on Advances	590	590	—	—	
Head III. Legislature.					
Personal Emoluments.					
1. 16 Members at £P.200 p.a.	3,200	3,200	—	—	
2. Secretary at £P.21—1—25 p.m.	300	300	—	—	
3. Clerk at £P.9—½—12	114	120	6	—	3. Increment
4. Orderly at £P.3 p.m. (six months)	18	18	—	—	
Total Personal Emoluments ..	£.P3,632	3,638	6	—	
Other Charges.					
5. Transport and Travelling	120	120	—	—	
6. Lighting and Heating	10	10	—	—	
7. Contingencies	10	10	—	—	
8. Postage, Telegrams and Telephones	10	10	—	—	
Total Other Charges	£P.150	150	—	—	
Total Legislature	£P.3,782	3,788	6	—	Net increase £P.6

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	Head and Sub-Head.		Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
			£P.	£P.	£P.	£P.	
Head IV.	*Pensions and Gratuities.*						
1.	Pensions		3,300	4,000	700	—	
2.	Gratuities		2,000	1,800	—	200	
	Total Pensions and Gratuities		£P.5,300	5,800	700	200	Net increase £P.500
Head V.	*Chief Minister and Interior.*						
	Personal Emoluments.						
1.	His Excellency The Chief Minister.	Special	1,200	1,200	—	—	
2.	Chief Secretary	£P.42—2—56	624	648	24	—	2. Increment
3.	Assistant Secretary	21—1—25	281	293	12	—	3. Increment
4.	1 Clerk	17—½—20	213	210	—	3	4. Change in holder of post
5.	1 Clerk	13—½—16	174	162	—	12	5. Change in holder of post
6.	2 Clerks	9—½—12	282	288	6	—	6. Increment
7.	1 Clerk	6—½—8	36	72	36	—	7. Appointed for half-year only in 1931-32
8.	Compensatory Allowance	.. ..	9	4	—	5	
9.	Orderlies	.. ..	120	120	—	—	
	Total Personal Emoluments		£P.2,939	2,997	78	20	
	Other Charges.						
10.	Transport and Travelling	.. ..	480	480	—	—	
11.	Lighting and Heating	.. ..	20	20	—	—	
12.	Contingencies	.. ..	10	10	—	—	
13.	Postage, Telegrams and Telephones	.. ..	150	150	—	—	
14.	Secret Service	.. ..	240	240	—	—	
	Total other Charges	.. ..	£P.900	900	—	—	
	Total Chief Minister and Interior		£P.3,839	3,897	78	20	Net increase £P.58

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	Head and Sub-Head		Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
			£P.	£P.	£P.	£P.	
Head VI.	*District Administration.*						
	Personal Emoluments.						
1.	4 Mutessarrifs	£P.32—2—37	1,671	1,656	—	15	1. Change in holder of one post
2.	5 Kaimakams	21—1—25 .. .	1,481	1,464	—	17	2. Change in holder of one post
3.	5 Mudir Nahiyas	13—½—16	745	862	117	—	3. Increments and changes
4.	9 Clerks	9—½—12 . ..	1,218	1,263	45	—	4. Increments
5.	5 Clerks	6—½— 8	345	434	89	—	5. Increments
6.	Compensatory Allowance	.. ..	78	56	—	22	
7.	Orderlies	.. ..	384	384	—	—	
	Total Personal Emoluments		£P.5,922	6,119	251	54	
	Other Charges.						
8.	Transport and Travelling	.. ..	750	750	—	—	
9.	Lighting and Heating	.. ..	70	70	—	—	
10.	Contingencies	.. ..	25	25	—	—	
11.	Postage, Telegrams and Telephones	.. ..	500	500	—	—	
	Total Other Charges	..	£P.1,345	1,345	—	—	
	Total District Administration		£P.7,267	7,464	251	54	Net increase £P.197

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	Head and Sub-Head.		Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
			£P.	£P.	£P.	£P.	
Head VII.	*Legal Department.*						
1.	Minister of Justice ..	£P.48—2—58	576	602	26	—	1. Incremental stage
2.	Judicial Adviser ..	Special	1,392	1,342	—	50	2. Reduction cost of living allowance
3.	Chief Clerk	21—1—25	286	294	8	—	3. Increment
4.	2 Clerks	13—½—16	353	365	12	—	4. Increments
5.	Compensatory Allowance	.. ..	41	5	—	36	
6.	Orderlies	.. ..	72	72	—	—	
	Court of Appeal.						
7.	President	£P.48—2—58	576	602	26	—	7. Increment.
8.	2 Members	32—1—37	798	852	54	—	8. Correct incremental stage
9.	1 Member	26—1—31	312	312	—	—	
10.	Chief Clerk	13—½—16	160	161	1	—	10. Increment
11.	1 Clerk	9—½—12	117	123	6	—	11. Increment
12.	1 Clerk	6—½— 8	96	96	—	—	
13.	Compensatory Allowance	.. ..	3	3	—	—	
14.	Process-Server ..	£P.4 p.m.	48	48	—	—	
15.	Orderly	.. ..	36	36	—	—	
	Public Prosecutor-General.						
16.	Public Prosecutor-General	£P.38—2—46	456	482	26	—	16. Incremental stage
17.	1 Clerk	9—½—12	117	123	6	—	17. Increment
18.	1 Clerk	6—½— 8	—	36	36	—	18. New post, 1st October, 1932
19.	Compensatory Allowance .	.. ..	12	—	—	12	
	District Courts.						
20.	1 President	£P.32—1—37	432	444	12	—	20. Increment
21.	2 Presidents	21—1—25	550	570	20	—	21. Increments
22.	2 Members	2I—1—25	528	552	24	—	22. Increments
23.	2 Members	17—½—20	432	453	21	—	23. Increments
24.	4 Public Prosecutors ..	17—½—20	912	910	—	2	24. Changes
25.	1 Execution Officer ..	13—½—16	156	156	—	—	
26.	3 Chief Clerks	13—½—16	520	493	—	27	26. Changes
27.	4 Clerks to Courts ..	9—½—12	486	—	—	486	27. *Vide* Items, 28 to 30 and 37 to 40
28.	3 Clerks to Courts ..	9—½—12	—	384	384	—	
29.	6 Clerks to Courts ..	6—½— 8	535	—	—	535	
30.	7 Clerks to Courts ..	6—½— 8	—	654	654	—	
		Carried Forward	£P.10,002	10,170	1,316	1,148	

	Head and Sub-Head.		Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks
			£P.	£P.	£P.	£P.	
Head VII.	*Legal Department—(cont.).*						
	Brought Forward		10,002	10.170	1,316	1,148	
	District Courts—(cont.)						
31.	5 Clerks to Public Prosecutors and Execution Officer	£P.6—½— 8	420	434	14	—	31. Changes and increments.
32.	Compensatory Allowance	.. ..	11	11	—	—	
33.	10 Process-Servers ..	£P.4 p.m.	480	480	—	—	
34.	Orderlies	.. ..	84	84	—	—	
	Magistrates' Courts.						
35.	2 Magistrates	£P.21—1—25	504	508	4	—	35. Increment and changes.
36.	3 Magistrates	17—½—20	720	720	—	—	
37.	6 Clerks	9—½—12	836	—	—	836	
38.	7 Clerks	9—½—12	—	923	923	—	
39.	4 Clerks	6—½— 8	336	—	—	336	
40.	2 Clerks	6—½— 8	—	186	186	—	
41.	Compensatory Allowance	.. ..	24	23	—	1	
42.	11 Process-Servers ..	.. ..	528	528	—	—	
43.	Orderly	.. ..	24	24	—	—	
44.	Notary Public—Amman..	£P.13—½—16	156	162	6	—	44. Increment
	Total Personal Emoluments ..	.. ..	£P.14,125	14,253	2,449	2,321	
	Other Charges.						
45.	Transport and Travelling ..	.. ..	700	600	—	100	45. Transfer of £P.100 to Item 32 of Head XI.
46.	Lighting and Heating ..	.. ..	75	75	—	—	
47.	Contingencies	.. ..	40	35	—	5	
48.	Postage, Telegrams and Telephones	.. ..	175	175	—	—	
49.	Clothing for Process-Servers ..	.. ..	90	75	—	15	
50.	Medico-Legal Expenses ..	.. ..	450	450	—	—	
51.	Tribal Court Expenses ..	.. ..	150	150	—	—	
52.	Purchase of Legal Books ..	.. ..	—	50	50	—	
	Total Other Charges ..	.. ..	£P.1,680	1,610	50	120	
	Total Legal Department ..	.. ..	£P.15,805	15,863	2,499	2,441	Net increase £P.58.

	Head and Sub-Head.		Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
			£P.	£P.	£P.	£P.	
Head VIII.	*Sharia' Courts.*						
1.	Kadi el Kuda	Vacant	—	—	—	—	
2.	Chief Clerk	£P.13—½—16	186	192	6	—	2. Increment
3.	Clerk	6—½— 8	90	96	6	—	3. Increment
4.	Orderly	.. ..	36	36	—	—	
	Courts.						
5.	2 Kadis	£P.21—1—25	600	600	—	—	
6.	5 Kadis	17—½—20	1,125	1,133	8	—	6. Increment
7.	6 Clerks to Courts	9—½—12	993	—	—	993	7. *Vide* Item 8
8.	5 Clerks to Courts	9—½—12	—	923	923	—	
9.	7 Process-Servers	.. ..	336	336	—	—	
	General.						
10.	Mufti Amman	£P.6—½— 8	96	96	—	—	
11.	Mufti Irbid	6—½— 8	96	76	—	20	
12.	Compensatory Allowance	.. ..	61	47	—	14	
	Total Personal Emoluments	.. .. ..	£P.3,619	3,535	943	1,027	
	Other Charges.						
13.	Transport and Travelling	.. ..	150	150	—	—	
14.	Lighting and Heating	.. ..	25	25	—	—	
15.	Contingencies	.. ..	10	7	—	3	
16.	Postage, Telegrams and Telephones	.. .. ..	30	35	5	—	
	Total other Charges	.. ..	£P.215	217	5	3	
	Total Sharia' Courts	.. ..	£P.3,834	3,752	948	1,030	Net decrease £P.82

	Head and Sub-Head.		Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
			£P.	£P.	£P.	£P.	
Head IX.	*Ministry of Finance.*						
A.	*Personal Emoluments.*						
1.	Treasurer	£P.48—2—58	576	603	27	—	
2.	Financial Adviser	Special	990	990	—	—	
3.	2 Assistant Treasurers	26—1—31	654	681	27	—	
4.	Controller of Stores	21—1—25	288	300	12	—	
5.	2 Treasury Officers	21—1—25	522	552	30	—	
6.	Chief Clerk	17—½—20	228	204	—	24	
7.	4 District Sub-Accountants	17—½—20	828	834	6	—	
8.	4 District Sub-Accountants	13—½—16	702	708	6	—	
9.	3 Treasury Officers	13—½—16	540	—	—	540	9. *Vide* Item 10
10	2 Treasury Officers	13—½—16	—	470	470	—	10. From Item 9 with reduction of one post
11.	2 Tax Collector Inspectors	13—½—16	312	312	—	—	
12.	12 Clerks	9—½—12	1,573	1,573	—	—	
13.	13 Clerks	6—½— 8	1,205	1,164	—	41	
14.	34 Tax Collectors	£P.7 p.m.	2,856	2,856	—	—	
15.	Orderlies	.. ..	360	360	—	—	
16.	Compensatory Allowance	.. ..	110	100	—	10	
	Total Personal Emoluments	.. ..	£P.11,744	11,707	578	615	
B.	*Other Charges.*						
17.	Transport and Travelling	.. ..	1,300	1,300	—	—	
18.	Lighting and Heating	.. ..	90	90	—	—	
19.	Contingencies	.. ..	40	40	—	—	
20.	Postage, Telegrams and Telephones	.. .. ..	220	220	—	—	
21.	Cost of Tithe Estimation	.. ..	1,000	1,000	—	—	
22.	Cost of Animal Enumeration	.. ..	1,100	1,100	—	—	
23.	Allowance to Registrar of Trade Marks	.. .. ..	50	50	—	—	
	Total Other Charges	.. .. ..	£P.3,800	3,800	—	—	
	Total Ministry of Finance	.. . ..	£P.15,544	15,507	578	615	Net decrease £P.37

	Head and Sub-Head.		Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
Head X.	*Customs and Excise.*						
	A. *Personal Emoluments.*		£P.	£P.	£P.	£P.	
1	Director	Special	1,000	1,000	—	—	
2	Inspector	£P.21—1—25	281	293	12	—	2. Increment
3	Controller Statistics	17—½—20	210	216	6	—	3. Increment
4.	2 Customs Officers	17—½—20	433	439	6	—	4. 1 Increment
5.	Chief Clerk—Directorate	13—½—16	162	168	6	—	5. Increment
6.	5 Customs and Excise Officers	13—½—16	835	—	—	835	6. *Vide* Item 7
7.	4 Customs and Excise Officers	13—½—16	—	675	675	—	7. Reduction of one post
8.	10 Customs and Excise Officers	9—½—12	1,238	—	—	1,238	8. *Vide* Item 9
9.	12 Customs and Excise Officers	9—½—12	—	1,474	1,474	—	9. One new post for El Hammeh. One new post for Sweets Factory
10.	7 Customs and Excise Officers	6—½— 8	578	—	—	578	10. *Vide* Item11
11.	8 Customs and Excise Officers	6—½— 8	—	664	664	—	11. One post of Tobacco Factory Officer specially approved in 1931-32
12.	Compensatory Allowance	.. ..	45	40	—	5	
13.	19 Customs Guards	£P.5 p.m.	—	1,140	1,140	—	13. From Item 14 with increase of 2 for El Hammeh and Jisr Sheikh Hussein
14.	18 Customs Guards	£P.5 p.m.	1,075	—	—	1,075	14. Reduced to 17 from 1st March, 1932
15.	1 Apprentice	£P.3½ p.m.	42	42	—	—	
16.	Porters	.. ..	330	300	—	30	
17.	Watchmen and Orderlies	.. ..	178	156	—	22	
	Total Personal Emoluments	.. .. ..	£P.6,407	6,607	3,983	3,783	
	B. *Other Charges.*						
18.	Transport and Travelling	.. ..	700	700	—	—	
19.	Lighting and Heating	.. ..	50	35	—	15	
20.	Miscellaneous	.. ..	60	60	—	—	
21.	Postage, Telegrams and Telephones	.. .. ..	100	120	20	—	
22.	Clothing, Guards	.. ..	120	90	—	30	
23.	Rewards and Gratuities	.. ..	300	250	—	50	
24.	Banderolles	.. ..	300	250	—	50	
	Total Other charges	.. .. ..	£P.1,630	1,505	20	145	
	Total Customs and Excise	.. .. ..	£P.8,037	8,112	4,003	3,928	Net increase £P.75

	Head and Sub-Head.		Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks
Head XI.	*Public Health Department.*		£P.	£P.	£P.	£P.	
1.	Director	Special	750	750	—	—	
2.	Chief Clerk	£P.17—½—20	210	216	6	—	2. Increment
3.	1 Clerk	13—½—16	162	168	6	—	3. Increment
4.	1 Clerk	9—½—12	138	144	6	—	4. Increment
5.	Ambulance Driver	£P.8 p.m.	96	96	—	—	
6.	Orderly	.. ..	36	36	—	—	
	Government Hospital, Amman.						
7.	Medical Officer	£P.26—1—31	372	372	—	—	
8.	Dispenser	21—1—25	264	254	—	10	8. Change of holder
9.	Matron	9—½—12	121	127	6	—	9. Increment
10.	Nurse	9—½—12	108	108	—	—	
11.	3 Attendants	£P.5 p.m.	150	180	30	—	11. Provision for 1 attendant was for 6 months only in 1931-32
12.	Ward Maid	£P.4 p.m.	48	48	—	—	
13.	Cook, Washerwoman, Orderlies, &c.	.. .. ..	126	126	—	—	
	Government Hospital, Irbid.						
14.	Dispenser	£P.17—½—20	102	204	102	—	
15.	Nurse	9—½—12	54	108	54	—	Provision under Items 14-17 in 1931-32 was for 6 months only
16.	Ward Maid	£P.5 p.m.	30	—	—	30	
17.	Cook, Washerwoman, and Servants	.. .. ..	36	108	72	—	
	Government Laboratory.						
18.	Bacteriologist	£P.32—1—37	444	444	—	—	
19.	Laboratory Assistant	9—½—12	144	144	—	—	
20.	Laboratory Attendant	.. ..	18	36	18	—	20. Provision in 1931-32 for 6 months only
	Districts.						
21.	1 Medical Officer	£P.32—1—37	408	420	12	—	21. Increment
22.	9 Medical Officers	26—1—31	2,962	3,228	266	—	22. Increments. One Medical Officer provided for ½ year only in 1931-32
23.	1 Public Health Orderly	9—½—12	126	120	—	6	23. Change of holder
24.	3 Anti-Malarial Inspectors	9—½—12	360	350	—	10	24. Change of holder
25.	1 Anti-Malarial Inspector	6—½— 8	90	90	—	—	
26.	Clerk to Medical Officer, Amman	6—½— 8	88	94	6	—	26. Increment
27.	Infant Welfare Nurse	9—½—12	117	123	6	—	27. Increment
		Carried forward ..	£P.7,560	8,094	590	56	

	Head and Sub-Head.		*Revised Estimates 1931-32.*	*Estimates 1932-33.*	*Increase.*	*Decrease.*	*Remarks.*
			£P.	£P.	£P.	£P.	
Head XI.	*Public Health Department—(Cont.).*						
	Districts—(Cont.). Brought Forward ..		7,560	8,094	590	56	
28.	4 Public Health Orderlies ..	£P.7	336	336	—	—	
29.	2 Public Health Orderlies ..	6	144	144	—	—	
30.	5 Ophthalmic and Medical Attendants	6	420	360	—	60	30. Correction of error in 1931-32 Estimates
31.	Compensatory Allowance	..	85	26	—	59	
32.	2 Watchmen for Amman and Remtha Quarantine Stations ..		—	72	72	—	
	Total Personal Emoluments		£P.8,545	9,032	662	175	
	B. *Other Charges.*						
33.	Transport and Travelling		750	850	100	—	33. Transfer of £P.100 from Item 42 of Head VII. *Vide* memorandum
34.	Lighting and Heating		50	50	—	—	
35.	Contingencies		20	20	—	—	
36.	Postage, Telegrams and Telephones		105	105	—	—	
37.	Clothing		100	100	—	—	
38.	Treatment of Government Patients in Private Hospitals ..		150	175	25	—	
39.	Medical Stores and Equipment		950	950	—	—	
40.	Epidemic Measures		400	400	—	—	
41.	Anti-Malarial Measures		100	100	—	—	
42.	Vaccine Sera, &c.		150	150	—	—	
43.	Medical Library		20	20	—	—	
44.	Fees Notification of Births and Deaths		180	180	—	—	
45.	Dieting Staff and Patients		400	500	100	—	
46.	Subsidy to Es Salt Hospital		240	240	—	—	
47.	Colonial Medical Advisory Committee		5	5	—	—	
	Total Other Charges		£P.3,620	3,845	225	—	
	Total Public Health Department		12,165	12,877	887	175	Net increase £P.712. In 1931-32 Revenue Estimates £P.222 (Items 18-20) approved but deferred by local Government to 1932-33 and not in total.
Head XI A.	*Ma'an Quarantine.*						
1.	Allowance to Medical Officer in charge		12	12	—	—	
2.	1 Sub-Inspector	£P. 8 for 3 months	24	24	—	—	
3.	1 Attendant	4 ,, ,, ,, ...	12	12	—	—	
4.	1 Attendant	2 ,, ,, ,, ...	9	9	—	—	
5.	Dieting 150 Pilgrims		49	38	—	11	
	Total Ma'an Quarantine		£P.106	95	—	11	Net decrease £P.11

	Head and Sub-Head.		*Revised Estimates 1931-32.*	*Estimates 1932-33.*	*Increase.*	*Decrease.*	*Remarks.*
			£P.	£P.	£P.	£P.	
Head XII.	*Education.*						
	A. *Personal Emoluments.*						
1.	Director	£P. 38—2—46	552	552	—	—	
2.	2 Inspectors	26—1—31	654	—	—	654	2. *Vide* Items 3 and 4
3.	1 Inspector	26—1—31	—	360	360	—	
4.	1 Inspector	21—1—25	—	259	259	—	
5.	Chief Clerk	17—½—20	222	228	6	—	5. Increment
6.	Accountant	9—½—12	134	140	6	—	6. Increment
7.	1 Clerk	9—½—12	124	130	6	—	7. Increment
8.	1 Clerk and Storekeeper ..	6—½— 8	90	96	6	—	8. Increment
9.	Compensatory Allowance		24	20	—	4	
10.	Orderly		36	36	—	—	
	Boys Schools.						
11.	1 Headmaster	£P.26—1—31	306	312	6	—	11. Increment
12.	4 Masters	21—1—25	504	—	—	504	12. Cancelled
13.	3 Headmasters	17—½—20	684	639	—	45	13. Changes in holders of posts
14.	6 Masters	17—½—20	1,300	1,318	18	—	14. Increments
15.	8 Masters	13—½—16	1,349	1,303	—	46	15. Two posts are for six months only in 1932-33
16.	9 Headmasters	9—½—12	1,170	1,218	48	—	16. Increments
17.	12 Masters	9—½—12	1,582	—	—	1,582	17. *Vide* 18
18.	13 Masters ..	9—½—12	—	1,634	1,634	—	18. Increase of one post from 1st October, 1932, for new elementary class Amman
19.	1 Clerk and Accountant ..	9—½—12	54	—	—	54	19. Cancelled
20.	40 Masters	6—½— 8	3,582	—	—	3,582	20. *Vide* Item 21
21.	44 Masters	6—½— 8 .. .	—	3,736	3,736	—	21. 4 new posts for new elementary classes (3 Amman —one for Madeba) from 1st October, 1932
22.	31 Village School Masters	6—½— 8	2,721	—	—	2,721	22. *Vide* Item 23
23.	42 Village School Masters	6—½— 8	—	3,168	3,168	—	23. 11 new posts for existing schools from 1st October, 1932
24.	Compensatory Allowance	.. ..	134	124	—	10	
25.	Cooks, Orderlies, Servants, &c. ..	.. ..	462	402	—	60	
	Girls Schools.						
26.	3 Headmistresses ..	£P.13—½—16	570	576	6	—	26. 1 Increment
27.	5 Headmistresses ..	9—½—12	378	540	162	—	27. Correction of error
28.	9 Mistresses	9—½—12	946	—	—	946	28. *Vide* Item 29. In 1931-32 2 posts were inserted for half year only
29.	10 Mistresses	9—½—12	—	1,130	1,130	—	29. 1 additional Mistress from 1st October, 1932 for new girls school Madeba
	Carried forward		17,578	17,921	10,551	10,208	

	Head and Sub-Head.		Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
			£P.	£P.	£P.	£P.	
Head XII.	*Education (Contd.)*						
	Brought Forward ..	..	17,578	17,921	10,551	10,208	
30	11 Mistresses	£P.6—½— 8	969	1,000	31	—	30. Increments
31.	Compensatory Allowance	.. .. ..	20	15	—	5	
32.	Orderlies	.. .. ..	240	276	36	—	32. Three new orderlies from 1st October, 1932. for schools at Husn, Kura, Tefileh
	School of Arts and Crafts.						
33.	Headmaster	£P.21—1—25	252	252	—	—	
34.	Master Smith	13—½—16	186	165	—	21	34. Change of holder
35.	Master Plumber	13—½—16	83	—	—	83	35. Post abolished 1st October, 1931
36.	Master Carpenter	9—½—12	144	144	—	—	
37.	Accountant and Storekeeper	9—½—12	108	144	36	—	37. Change of holder
38.	Reading and Writing Instructor	6—½— 8	74	72	—	2	38. Change of holder
39.	Master Weaver	6—½— 8	36	72	36	—	39. Provision for six months only in 1931-32
40.	Instructor Cane Chair Making	6—½— 8	36	72	36	—	40. Provision for six months only in 1931-32
41.	Master Carpenter	6—½— 8	46	—	—	46	41. Abolished 1st October, 1931
42.	Compensatory Allowance	.. ..	20	4	—	16	
43.	Cooks, Servants, &c. ..	.. ..	210	210	—	—	
	Total Personal Emoluments ..	.. ..	£P.20,002	20,347	10,726	10,381	
	B. *Other Charges*						
44.	Transport and Travelling	.. ..	320	320	—	—	
45.	Lighting and Heating ..	.. ..	96	96	—	—	
46.	Contingencies	.. ..	62	62	—	—	
47.	Postage, Telegrams and Telephones	.. .. ..	70	100	30	—	47. Provision insufficient
48.	Rations for Boarding Schools	.. ..	1,000	800	—	200	
49.	Books and Equipment ..	.. ..	1,000	1,150	150	—	49. Temporary reduction in 1931-32 to meet revenue deficit
50.	Stores and Equipment, Arts and Crafts	.. .. ..	750	750	—	—	
51.	Water	.. ..	100	100	—	—	
52.	Training School Fees ..	.. ..	488	588	100	—	52. Increase cost of Beirut Fees owing to exchange
53.	Cost of 4 pupils to Kadoorie Agricultural School	.. ..	—	400	400	—	53. *Vide* memorandum
	Total Other Charges ..	.. .. ..	£P.3,886	4,366	680	200	
	Total Education ..	.. ..	£P.23,888	24,713	11,406	10,581	Net increase £P.825

	Head and Sub-Head.		Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
			£P.	£P.	£P.	£P.	
Head XIII.	*Department of Agriculture.*						
	A. *Personal Emoluments.*						
1.	Director	£P.38—2—46	552	552	—	—	
2.	1 Agricultural Assistant	21—1—25	300	300	—	—	
3.	1 Agricultural Assistant	17—½—20	228	240	12	—	3. Increment
4.	1 Clerk	9—½—12	138	144	6	—	4. Increment
5.	2 Clerks	6—½— 8	166	178	12	—	5. Increment. 1 General Clerk. 1 Storekeeper
6.	Orderly	.. ..	36	36	—	—	
	Districts.						
7.	6 Agricultural Officers	£P.9—½—12	610	625	15	—	7. Increments
8.	9 Forest Guards	£P.5 p.m.	540	540	—	—	
9.	1 Overseer—Experimental Station	7 p.m.	84	84	—	—	
10.	4 Gardeners	6 p.m.	288	288	—	—	
11.	1 Revenue Collector	5 p.m.	60	60	—	—	
	Veterinary.						
12.	Chief Veterinary Officer	£P.32—1—37	384	384	—	—	
13.	Veterinary Officer	21—1—25	126	252	126	—	13. Provision for 6 months only in 1931-32
14.	Assistant Veterinary Officer	9—½—12	144	144	—	—	
15.	Syce	£P.3 p.m.	36	—	—	36	15. Abolished
16.	Compensatory Allowance	.. ..	21	15	—	6	
	Total Personal Emoluments ..	.. ..	£P.3,713	3,842	171	42	
	B. *Other Charges.*						
17.	Transport and Travelling	.. ..	650	650	—	—	
18.	Lighting and Heating ..	.. ..	35	35	—	—	
19.	Contingencies	.. ..	30	30	—	—	
20.	Postage, Telegrams and Telephones	.. .. ..	100	100	—	—	
21.	Clothing, Guards ..	.. ..	48	48	—	—	
22.	Epidemic Measures ..	.. ..	1,100	500	—	600	
23.	Veterinary Equipment and Stores..	.. .. ..	50	50	—	—	
24.	Pruning and Afforestation ..	.. .. ..	400	400	—	—	
25.	Instruction in Extraction of Olive Oil. &c. ..	.. ..	—	150	150	—	25. Cancelled in 1931-32 to meet revenue deficit
26.	Upkeep of Nurseries and Experimental Stations	.. ..	440	490	50	—	
27.	Labour for Nurseries and Experimental Stations	.. ..	400	400	—	—	
28.	Purchase of Books	.. .. ..	20	20	—	—	
29.	Subscription to Locust Intelligence Bureau..	.. ..	110	110	—	—	
30.	Subscription to Locust Intelligence Committee	.. ..	50	50	—	—	
	Total Other Charges ..	.. .. ..	£P.3,433	3,033	200	600	
	Total Department of Agriculture	.. ..	£P.7,146	6,875	371	642	Net decrease £P.271

	Head and Sub-Head.		Revised Estimates 1931-32. £P.	Estimates 1931-32. £P.	Increase. £P.	Decrease. £P.	Remarks.
Heab XIV.	*Department of Antiquities.*						
	A. *Personal Emoluments.*						
1.	Director	£P.38—2—46	456	484	28	—	1. Incremental stage
2.	Inspector	Special	700	700	—	—	
3.	Assistant Inspector	26—1—31	329	341	12	—	3. Increment
4.	Junior Assistant Inspector	9—½—12	126	131	5	—	4. Increment
5.	Clerk	9—½—12	130	114	—	16	5. Change of holder
6.	Compensatory Allowance	.. .. ..	25	21	—	4	
7.	5 Guards	.. .. ..	318	318	—	—	
8.	1 Orderly	.. .. ..	36	36	—	—	
	Total Personal Emoluments	.. ..	£P.2,120	2,145	45	20	
	B. *Other Charges.*						
9.	Transport and Travelling	.. ..	400	400	—	—	
10.	Lighting and Heating ..	.. ..	10	10	—	—	
11.	Contingencies	.. ..	5	5	—	—	
12.	Clothing for Guards ..	.. ..	20	20	—	—	
13.	Postage, Telegrams and Telephones	.. .. ..	30	30	—	—	
14.	Redemption of Antiquities ..	.. .. ..	25	25	—	—	
15.	Cost of Publications ..	.. ..	25	75	50	—	15. Temporary reduction to meet revenue deficit in 1931-32
16.	Conservation	.. ..	100	100	—	—	
	Total Other Charges	.. ..	£P.615	665	50	—	
	Total Antiquities Department	.. ..	£P.2,735	2,810	95	20	Net increase £P.75

	Head and Sub-Head.		Revised Estimates 1931-32.	Estimates. 1932-33.	Increase.	Decrease.	Remarks.
Head XV.	*Public Works Department.*						
	A. *Personal Emoluments.*		£P.	£P.	£P.	£P.	
1.	Director	£P.48—2—58	672	696	24	—	1. Increment
2.	3 Technical Assistants ..	26—1—31	1,086	1,116	30	—	2. Increments
3.	2 Draughtsmen ..	17—½—20	461	473	12	—	3. Increments
4.	2 Works Foremen ..	17—½—20	204	408	204	—	4. Provision for 6 months only in 1931-32
5.	Chief Clerk	17—½—20	210	216	6	—	5. Increment
6.	Inspector of Roads ..	17—½—20	114	—	—	114	6. Post abolished
7.	1 Works Foreman ..	13—½—16	78	156	78	—	7. Provision for six months only in 1931-32
8.	Accountant	13—½—16	180	186	6	—	8. Increment
9.	1 Stores Clerk	9—½—12	144	144	—	—	
10.	1 Storekeeper	9—½—12	114	120	6	—	10. Increment. Previously included under General Clerks *Vide* Item 11
11.	3 General Clerks ..	9—½—12	352	356	4	—	11. 1 Increment. Formerly "4." 1 to Item 10
12.	2 Clerks	6—½— 8	178	168	—	10	12. Change of holder of one post
13.	Compensatory Allowance	.. ..	25	20	—	5	
14.	Orderlies, Stores Porters, &c.	.. ..	135	150	15	—	
	Total Personal Emoluments	.. ..	£P.3,953	4,209	385	129	
	B. *Other Charges.*						
15.	Transport and Travelling	.. ..	700	700	—	—	
16.	Lighting and Heating ..	.. ..	20	20	—	—	
17.	Contingencies	.. ..	10	10	—	—	
18.	Postage, Telegrams and Telephones	.. .. ..	60	80	20	—	
19.	Drawing Materials ..	.. ..	30	30	—	—	
20.	Engineering Instruments	.. ..	10	40	30		
21.	Technical Books ..	.. ..	20	20	—	—	
	Total Other Charges	.. .. ..	£P.850	900	50	—	
	Total Public Works Department	.. ..	£P.4,803	5,109	435	129	Net increase £P.306

Head and Sub-Head.	*Revised Estimates 1931-32.*	*Estimates 1932-33.*	*Increase.*	*Decrease.*	*Remarks.*
	£P.	£P.	£P.	£P.	
Head XV (A). Public Works Recurrent					
1. Tools and Equipment, Village Roads	200	—	—	200	
2. Maintenance of Government Buildings	1,500	1,800	300	—	2. Temporary reduction in 1931-32 Estimates to meet revenue deficit
3. Minor New Works	542	750	208	—	3. do.
4. Tools and Equipment	200	250	50	—	4. do.
5. Rents	5,500	5,300	—	200	
6. Furniture, Government Offices	350	400	50	—	6. do.
7. Furniture, Government Schools	500	500	—	—	
8. Maintenance of Roads	8,800	8,500	—	300	
9. Transport Unallocated Stores	—	50	50	—	9. Temporary Cancellation in 1931-32 Revenue Estimates to meet revenue deficit
10. Preliminary Surveys	—	100	100	—	10. New item
11. Maintenance of His Highness's Residence	200	200	—	—	
12. Maintenance and Running of His Highness's Light and Water Supply	450	450	—	—	
Total Public Works Recurrent	£P.18,242	18,300	758	700	Net increase £P.58

Head and Sub-Head		*Revised Estimates 1931-32.*	*Estimates 1932-33.*	*Increase.*	*Decrease.*	*Remarks.*
Head XVI. Posts, Telegraphs and Telephones.						
A. *Personal Emoluments.*		£P.	£P.	£P.	£P.	
1. Director	£P.38—2—46	552	552	—	—	
2. Inspector	17—½—20	210	216	6	—	2. Increment
3. Accountant	17—½—20	207	210	3	—	3. Increment
4. Cashier	13—½—16	160	166	6	—	4. Increment
5. Chief Clerk	13—½—16	159	165	6	—	5. Increment
6. Accounts Clerk	13—½—16	158	161	3	—	6. Increment
7. 2 Clerks	9—½—12	229	239	10	—	7. Increment
8. Stores Officer	9—½—12	110	113	3	—	8. Increment
9. 2 Clerks	6—½— 8	192	192	—	—	
District Post Offices.						
10. 1 Postmaster	£P.17—½—20	224	210	—	14	10. Change of holder
11. 3 Postmasters	13—½—16	477	489	12	—	11. Increments
12. Telephone and Telegraph Supervisor	13—½—16	159	165	6	—	12. Increment
13. 5 Postmasters	9—½—12	602	604	2	—	13. Increment
14. 4 Posts and Telegraphs Clerks	9—½—12	472	487	15	—	14. Increments
15. 17 Posts and Telegraphs Clerks	6—½— 8	1,547	1,495	—	52	15. Changes
Engineering.						
16. 1 Technical Officer	£P.21—1—25	300	300	—	—	
17. 1 Assistant Technical Officer	17—½—20	237	240	3	—	17. Increment
18. Head Linesman	13—½—16	162	168	6	—	18. Increment
19. 2 Linesmen	6—½— 8	156	168	12	—	19. Increments
20. 6 Linesmen	£P.6 p.m.	432	432	—	—	
21. 18 Linesmen	£P.5 p.m.	1,080	1,080	—	—	
General.						
22. Compensatory Allowance	.. ..	30	42	12	—	22. Provision in 1931-32 insufficient
23. 5 Apprentices	£P.3½ p.m.	210	210	—	—	
24. Postmen and Messengers	12 @ £P.4 p.m. 2 @ £P.3 p.m.	648	648	—	—	
25. Labour	.. ..	200	250	50	—	25. Provision in 1931-32 insufficient to meet essential work
Total Personal Emoluments Carried Forward ..		£P.8,913	9,002	155	66	

Head and Sub-Head.	Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
	£P.	£P.	£P.	£P.	
Head XVI Posts, Telegraphs and Telephones—(Cont.).					
Personal Emoluments Brought Forward .. .	8,913	9,002	155	66	
B. *Other Charges.*					
26. Transport and Travelling .. .. —	720	720	—	—	
27. Lighting and Heating	85	100	15	—	27. Provision insufficient
28 Contingencies	22	22	—	—	
29. Clothing	102	140	38	—	29. Temporarily reduced in 1931-32 to meet revenue deficit.
30 Stores and Equipment	2,450	2,100	—	350	
31. Transport of Mail	1,000	1,000	—	—	
32. Commission to Postal Agents	30	30	—	—	
33. Hedjaz Railway for use of Ma'an Telegraph Line	231	231	—	—	
Total Other Charges	£P.4,640	4,343	53	350	
Total Posts, Telegraphs and Telephones	£P.13,553	13,345	208	416	Net decrease £P.208.

Head and Sub-Head.		Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
		£P.	£P.	£P.	£P.	
Head XVII. Department of Lands.						
A. *Personal Emoluments.*						
1. Director of Lands	Special	1,000	1,000	—	—	
2. Controller of State Domains	£P.26—1—31	372	372	—	—	
3. Chief Clerk and Computer	21—1—25	276	276	—	—	
4. Clerk	13—½—16	162	168	6	—	4. Increment
5. Clerk	9—½—12	116	122	6	—	5. Increment
6. Clerk	6—½— 8	—	36	36	—	6. New post from 1st October, 1932
Surveys.						
7. Director of Surveys	Special	640	660	20	—	7. Increment
8. Chief Demarcation Officer	£P.32—1—37	396	408	12	—	8. Increment
9. Demarcation Officer	26—1—31	312	312	—	—	
10. Inspector	26—1—31	324	—	—	324	10. Post abolished
11. 3 Surveyors	17—½—20	624	642	18	—	11. Increments
12. 19 Surveyors	9—½—12	2,184	2,298	114	—	12. Increments
13. 40 Chainmen	£P.3 p.m.	1,440	1,440	—	—	
14. Labour		1,650	1,650	—	—	
15. Field Allowances		650	650	—	—	
Land Registry.						
16. Director of Land Registry	£P.26—1—31	336	348	12	—	16. Increment
17. 1 Land Registry Officer	17—½—20	240	240	—	—	
18. 3 Land Registry Officers	13—½—16	549	561	12	—	18. 2 Increments
19. 2 Land Registry Officers	9—½—12	275	281	6	—	19. Increment
20. 1 Clerk	6—½— 8	96	96	—	—	
General.						
21. Orderlies		144	144	—	—	
22. Compensatory Allowance		30	30	—	—	
Total Personal Emoluments		11,816	11,734	242	324	
B. *Other Charges.*						
23. Transport and Travelling		1,250	1,250	—	—	
24. Lighting and Heating		50	50	—	—	
25. Contingencies		96	100	4	—	
26. Postage, Telegrams and Telephones		40	50	10	—	
27. Technical Equipment		250	200	—	50	
28. Tentage and Camp Equipment		200	200	—	—	
29. Survey Marks		600	500	—	100	
30. Boots for Labourers		100	50	—	50	
31. Printing of Maps		—	500	500	—	31. New item
Total Other Charges		£P.2.586	2,900	514	200	
Total Department of Lands		£P.14,402	14,633	756	524	Net increase £P.232

	Head and Sub-Head.		Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
			£P.	£P.	£P.	£P.	
Head XVIII.	***Police and Prisons.***						
	A. *Police.*						
	Personal Emoluments.						
1.	Commandant	£P.850—50—1,050 p.a. ..	1,050	1,050	—	—	
2.	Expatriation Allowance		150	150	—	—	
3.	Second in Command and Officer Commanding Desert Patrol ..		—	800	800	—	3. Previously shown under Head 18 E—Desert Patrol
4.	Expatriation Allowance		—	150	150	—	4. Previously shown under Head 18 E—Desert Patrol
5.	Assistant Commandant	£P.550—25—750 p.a. ..	715	650	—	65	5. Change of holder
6.	Expatriation Allowance		100	100	—	—	
7.	Accountant	£P.300—10—550 p.a. ..	443	453	10	—	7. Increment
8.	Expatriation Allowance		50	50	—	—	
9.	Paymaster	£P.17—½—20 ..	204	210	6	—	9. Increment
10.	Stores Officer	.. 17—½—20 ..	210	240	30	—	10. Proper incremental stage of present holder
11.	Armourer	.. £P. 8 p.m. ..	96	96	—	—	
12.	5 Saddlers	.. 6 p,m. ..	360	—	—	360	12. *Vide* Item 13
13.	2 Saddlers	.. 6 p.m. ..	—	144	144	—	13. Reduction, 3 posts
14.	1 Wireless Telegraph Mechanic ..	10 p.m. ..	120	120	—	—	
15.	2 Wireless Telegraph Operators ..	8 p.m. ..	192	—	—	192	15. *Vide* Item 16 and memorandum
16.	9 Wireless Telegraph Operators ..	7 p.m. ..	—	756	756	—	16. *Vide* memorandum
17.	2 Linesmen	.. 5 p.m. ..	120	—	—	120	17. Abolished
18.	2 Clerks	.. £P.21—1—25 ..	588	600	12	—	18. Increments
19.	4 Clerks	.. 13—½—16 ..	690	708	18	—	19. Increments
20.	4 Clerks	.. 9—½—12 ..	504	—	—	504	20. *Vide* Item 21
21.	5 Clerks	.. 9—½—12 ..	—	666	666	—	21. 1 from Item 13, Head 18 E—Desert Patrol
22.	3 Clerks	.. 6—½—8 ..	234	252	18	—	22. 3 Increments
23.	1 Power House Mechanic ..	£P.12 p.m. ..	144	144	—	—	
24.	1 Qaimakam Assistant Commandant	38—2—36 ..	480	504	24	—	24. Increment
25.	1 Qaid	.. 32—1—37 ..	396	408	12	—	25. Increment
26.	3 Wakil Qaids	.. 26—1—31 ..	972	1,008	36	—	26. 3 Increments
27.	3 Rais..	.. 21—1—25 ..	936	900	—	36	27. 1 Abolished and 1 transfer from Item 4—Desert Patrol
28.	16 Mulazim Awwal	17—½—20 ..	3,840	3,840	—	—	
29.	4 Mulazim Thani	13—½—16 ..	768	—	—	768	29. *Vide* Item 30
30.	3 Mulazim Thani	13—½—16 ..	—	576	576	—	30. Reduction of 1 post. 1 from 18 E—Desert Patrol. 1 transfer to Prisons
31.	3 Cadets	£P.6 p.m. ..	—	216	216	—	31. British Resident's letter No. 3817 to His Excellency the High Commissioner
32.	10 Wakils, 1st Class	9—½—12 ..	1,260	1,320	60	—	32. Increments
33.	10 Wakils, 2nd Class	9 p.m. ..	1,080	1,080	—	—	
		Carried Forward	£P.15,702	17,191	3,534	2,045	

	Head and Sub-Head.		Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
			£P.	£P.	£P.	£P.	
Head XVIII.	***Police and Prisons—(Cont.).***	Brought Forward ..	15,702	17,191	3,534	2,045	
	A. *Police—(Cont.).*						
34.	39 Naibs	£P. 7 p.m.	3,276	—	—	3,276	34. *Vide* Item 35
35.	43 Naibs	7 p.m.	—	2,612	2,612	—	35. 5 from item 6 "Desert Patrol". 1 to Item 49 below
36.	62 Areefs	6 p.m.	4,464	—	—	4,464	36. *Vide* Item 37
37.	70 Areefs	6 p.m.	—	5,040	5,040	—	37. 8 from Item 7 "Desert Patrol"
38.	454 Jundis	5 p.m.	27,240	—	—	27,240	38. *Vide* Item 39
39.	519 Jundis	5 p.m.	—	31,140	31,140	—	39. 65 from Item 8 "Desert Patrol"
40.	6 Cavalrymen	6 p.m.	432	432	—	—	40. His Highness's Body Guard
41.	17 Jundis..	2 p.m.	408	408	—	—	
42.	7 Amin Seriya 1st Class ..	6—½—8	714	—	—	714	42. *Vide* Item 43
43.	8 Amin Seriya 1st Class ..	6—½—8	—	816	816	—	43. 1 Transfer from "Prisons"
44.	10 Amin Seriya 2nd Class	7½ p.m.	900	—	—	900	44. *Vide* Item 45
45.	9 Amin Seriya 2nd Class	7½ p.m.	—	810	810	—	45. Reduction of one
46.	2 Passport Inspectors ..	8 p.m.	192	192	—	—	
47.	1 Passport Clerk ..	6—½—8	78	78	—	—	
48.	1 Imam	5 p.m.	60	60	—	—	
49.	9 M.T. Drivers 1st Class..	9 p.m.		972	972	—	49. *Vide* memorandum. Desert Patrol Drivers
50.	6 M.T. Drivers 2nd Class	5 p.m.	—	360	360	—	50. and one driver to Commandant from Item 34
51.	Fitter's allowance at £P.1 p.m. to 4 Drivers	.. ..	—	48	48	—	51. *Vide* memorandum
51A.	Desert Allowance to 4 W/T Operators ..	.. ..	—	144	144	—	51A. *Vide* memorandum
52.	1 Interpreter to Imperial Forces for Desert Work £P.15 p.m...		—	180	180	—	52. British Resident's 107/Sec. to Chief Minister, Trans-Jordan Government
	Urban Police.						
53.	1 Wakil Qaid	£P.26—1—31	324	336	12	—	53. Increment
54.	1 Traffic Inspector ..	290—10—340 plus £P.40 p.a.	380	380	—	—	
55.	1 Legal Adviser ..	21—1—25	264	276	12	—	55. Increment
56.	1 Mufawad 1st Class ..	13—½—16	192	192	—	—	
57.	10 Mufawad 2nd Class ..	£P.8 p.m.	960	960	—	—	
58.	9 Mufawad 3rd Class ..	7 p.m.	756	756	—	—	
59.	75 Constables ..	6 p.m.	5,400	5,400	—	—	
60.	2 Clerks	9—½—12	228	234	6	—	60. 1 Increment
61.	Compensatory Allowances	.. ..	270	100	—	170	
62.	Personal Allowances ..	.. ..	174	150	—	24	
	Total Personal Emoluments—Police	..	£P. 62,214	69,267	45,886	38,833	

Note.—Total of 1931-32 revised figures allows for the saving of £P.200 on Personal Emoluments earmarked to cover revenue deficit.

	Head and Sub-Head.	Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
	Head XVIII. Police and Prisons—(Contd.)					
	A. *Police. Total Personal Emoluments* ..	£P. 62,214	£P. 69,267	£P. 45,886	£P. 38,833	
	Other Charges.					
63.	Forage Allowance	8,650	9,700	1,050	—	63. Increased cost of Forage and Desert Patrol
64.	Clothing, Purchase of	6,150	7,195	1,045	—	64. Includes Desert Patrol
65.	Compensation for Loss of Animals	300	300	—	—	
66.	Veterinary	25	50	25	—	66. Temporary reduction in 1931-32 to meet revenue deficit
67.	Equipment	500	754	254	—	67. Includes Desert Patrol
68.	Saddlery	700	750	50	—	68. Includes purchase of saddles for Desert Patrol Camels
69.	Hire of Transport	1,350	—	—	1,350	69. *Vide* Item 70
70.	Transport and Travelling	—	2,400	2,400	—	70. Amalgamation of Items 69-72-74 and Desert Patrol
71.	Furniture	150	200	50	—	71. Includes Desert Patrol and replacements
72.	Railway Transport	300	—	—	300	72. *Vide* Item 70
73.	Lighting and Heating	475	475	—	—	
74.	Travelling Allowances	400	—	—	400	74. *Vide* Item 70
75.	Upkeep of Telephones	50	25	—	25	
76.	Secret Service (Police)	300	400	100	—	76. Provision insufficient
77.	Secret Service (Desert Patrol)	—	2,000	2,000	—	77. Previously under Head 18-E, Desert Patrol
78.	Contingencies	95	125	30	—	78. Includes Desert Patrol
79.	Pension Contributions to Palestine Government	368	440	72	—	79. Temporary reduction in 1931-32 owing to vacancy in one post
80.	Purchase of Water	125	125	—	—	
81.	Miscellaneous	125	180	55	—	81. Includes Desert Patrol
82.	Cost of Living allowances	181	135	—	46	
83.	Photographic and Finger Print Equipment	100	100	—	—	
84.	Postage, Telegrams and Telephones	2,400	2,400	—	—	
85.	Tentage	100	150	50	—	85. Includes Desert Patrol
86.	Insurance of Stores	41	21	—	20	
87.	Petrol and Maintenance of Transport	—	4,050	4,050	—	87. Desert Patrol
88.	Upkeep of Wireless	—	210	210	—	88. Formerly £P.160 under Head 18-E plus 3 new sets *vide* memorandum
89.	Maintenance of Armament	—	150	150	—	89. Desert Patrol
90.	Ammunition	—	100	100	—	90. Formerly £P.50 under Head 18-E. Desert Patrol
	Total Other Charges	£P.22,885	32,435	11,691	2,141	
	Total Police	£P.85,099	101,702	57,577	40,974	Net increase £P.17,603

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	Head and Sub-Head.	Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
	Head XVIII. Police and Prisons—(cont.).					
	B. *Prisons.*	£P.	£P.	£P.	£P.	
	Personal Emoluments.					
1.	Wakil Qaid .. .. £P. 26—1—31	324	—	—	324	1. Abolished
2.	Mulazim Awal .. .. 17—½—20	240	240	—	—	
3.	Mulazim Thani .. .. 13—½—16	—	192	192	—	3. From "Police" Item 30
4.	2 Amin Seriya 1st Class .. 8½ p.m.	204	—	—	204	4. *Vide* Item 5
5.	2 Amin Seriya 1st Class .. 8½ p.m.	—	102	102	—	5. 1 Transfer to "Police" Item 42
6.	6 Warders 1st Class .. 8 p.m.	576	288	—	288	6. Provision for 6 months. See Items 8 to 10
7.	6 Warders 2nd Class .. 7 p.m.	504	252	—	252	7. Provision for 6 months. See Items 8 to 10
8.	5 Warders 1st Class .. 9—½—12	—	270	270	—	8. Provision for 6 months. See Memorandum
9.	8 Warders 2nd Class .. 6—½—8	—	288	288	—	9. Provision for 6 months. See Memorandum
10.	3 Warders 3rd Class .. 5½ p.m.	—	99	99	—	10. Provision for 6 months. See Memorandum
11.	1 Wardress .. .. 6 p.m.	72	72	—	—	
12.	83 Prison Guards .. .. 5 p.m.	4,980	4,980	—	—	
13.	Compensatory Allowances	50	5	—	45	
14.	Personal Allowances	6	24	18	—	
	Total Personal Emoluments Prisons	£P.6,855	6,812	1,070	1,113	(*Note.*—The total of revised 1931-32 Personal Emoluments allows for savings earmarked to meet the revenue deficit)
	Other Charges.					
15.	Clothing, Prison Personnel	760	740	—	20	
16.	Clothing, Prisoners	700	750	50	—	
17.	Rations, Prisoners	3,250	3,400	150	—	17. Temporary reduction in 1931-32 to meet revenue deficit
18.	Hire of Transport	150	—	—	150	18. *Vide* Item 19
19.	Transport and Travelling	—	275	275	—	19. Amalgamation of Items 18 and 23
20.	Furniture	50	100	50	—	20. Replacements
21.	Equipment	200	200	—	—	
22.	Lighting and Heating	200	200	—	—	
23.	Railway Transport	125	—	—	125	23. *Vide* Item 19
24.	Contingencies	20	20	—	—	
25.	Forage Allowance	22	—	—	22	
26.	Soap	100	110	10	—	
27.	Postage, Telegrams and Telephones	120	120	—	—	
28.	Materials for Prison Industries	50	50	—	—	
	Total Other Charges	£P.5,747	5,965	535	317	
	Total Prisons.	£P.12,602	12,777	1,605	1,430	Net increase £P.175

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Head and Sub-Head.	*Revised Estimates 1931-32.*	*Estimates 1932-33.*	*Increase.*	*Decrease.*	*Remarks*
	£P.	£P.	£P.	£P.	
Head XVIII. Police and Prisons—(contd.)					
E. *Desert Patrol.*					
Personal Emoluments.					
1. Officer Commanding Patrol .. .. .. Special ..	800	—	—	800	Provision for Personnel and Other Charges of the Desert Patrol has been included under the various items of Head XVIII.—A, Police
2. Expatriation Allowance	150	—	—	150	
3. Cost of Living Allowance	75	—	—	75	
4. Rais .. .. £P.21—1—25 p.m.	300	—	—	300	
5. Mulazim Thani .. .. 13—½—16 p.m.	192	—	—	192	
6. 5 Naibs .. .. 7 p.m. ..	420	—	—	420	
7. 8 Areefs .. .. 6 p.m. ..	576	—	—	576	
8. 65 Jundis .. .. 5 p.m. ..	3,900	—	—	3,900	
9. Wireless Telegraph Operator and Mechanic 12 p.m. ..	144	—	—	144	
10. 4 Wireless Telegraph Operators .. .. 10 p.m. ..	480	—	—	480	
11. 10 Drivers .. .. 10 p.m. ..	1,200	—	—	1,200	
12. 1 Fitter .. .. 12 p.m. ..	144	—	—	144	
13. 1 Clerk .. .. 9—½—12 ..	144	—	—	144	
Total Personal Emoluments	£P.8,525	—	—	8,525	
Other Charges.					
14. Clothing	954	—	—	954	
15. Petrol and Maintenance of Transport	4,050	—	—	4,050	
16. Maintenance of Wireless	160	—	—	160	
17. Maintenance of Armament	150	—	—	150	
18. Forage Allowance	324	—	—	324	
19. Secret Service	2,000	—	—	2,000	
20. Ammunition	50	—	—	50	
21. Contingencies	500	—	—	500	
Total Other Charges	£P.8,188	—	—	8,188	
Total Desert Patrol	£P.16,713	—	—	16,713	Net decrease £P.16,713

Head and Sub-Head.	*Revised Estimates 1931-32.*	*Estimates 1932-33.*	*Increase.*	*Decrease.*	*Remarks.*
Head XIX. Miscellaneous.	£P.	£P.	£P.	£P.	
1. Typewriters	250	250	—	—	
2. Safes	25	100	75	—	
3. Transport of Specie	120	120	—	—	
4. Agricultural Bank Contribution	3,500	3,500	—	—	
5. Commission to Stamp Vendors	25	25	—	—	
6. Stamp Dies and Printing of Stamps (Revenue and Court Fees) ..	100	150	50	—	
7. Pension Contributions to Palestine Government	1,000	1,000	—	—	
8. Printing and Stationery	3,600	3,300	—	300	8. Includes British Resident's Office and cost of printing Laws in Arabic
9. Sundries	760	800	40	—	
10. Crown Agents' Expenses	100	150	50	—	
Total Miscellaneous	£P.9,480	9,395	215	300	Net decrease £P.85

	Head and Sub-Head.	Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
		£P.	£P.	£P.	£P.	
Head XX.	*British Resident.*					
	A. *Personal Emoluments.*					
1.	British Resident	1,600	1,600	—	—	
2.	Assistant British Resident	935	960	25	—	2, Increment
3.	Superintendent	450	460	10	—	3. Increment
4.	Chief Clerk	398	—	—	398	4. Decrease in Estimate. (See Item 8)
5.	Clerk Grade II	280	280	—	—	
6.	Clerk Grade III	204	210	6	—	6. Increment
7.	2 Clerks Grade IV	318	330	12	—	7. Increments
8.	Clerk Grade III (New Grade)	—	108	108	—	8. Increase in Estimate. (See Item 4)
9.	Compensatory Allowance	11	12	1	—	
10.	Driver	180	180	—	—	
11.	Qawwas	84	84	—	—	
12.	Orderly	48	48	—	—	
	Total Personal Emoluments	£P.4,508	4,272	162	398	
	B. *Other Charges.*					
13.	Entertainment Allowanee	300	300	—	—	
14.	Cost of Living Allowance	319	154	—	165	14. Reduced Rates
15.	Animal Allowance	60	60	—	—	
16.	Transport	350	350	—	—	
17.	Rents	367	456	89	—	
18.	Lighting and Heating	20	15	—	5	
19.	Contingencies	20	15	—	5	
20.	Furniture	10	5	—	5	
21.	Subsistence	90	75	—	15	
22.	Maintenance and Repairs	50	150	100	—	22. Repairs to the Residency are urgently necessary
23.	Medical	10	10	—	—	
24.	Postage, Telegrams and Telephones	200	180	—	20	
25.	Printing and Stationery	60	10	—	50	
26.	Relief	10	5	—	5	
27.	Assisted Passages	40	—	—	40	
28.	Pension Contributions	565	565	—	—	
	Total Other Charges	£P.2,471	2,350	189	310	
	Total British Resident	£P.6,979	6,622	351	708	Net decrease £P.357

	Head and Sub-Head.	Revised Estimates 1931-32.	Estimates 1932-33.	Increase.	Decrease.	Remarks.
		£P.	£P.	£P.	£P.	
Head XXI.	*Audit Department.*					
	A. *Personal Emoluments.*					
1.	Auditor (Special Allowance)	200	200	—	—	
2.	Chief Examiner £P.48—2—58	624	648	24	—	2. Increment
3.	1 Clerk 26—1—31	324	360	36	—	3. Proper incremental stage
4.	1 Clerk 21—1—25	269	281	12	—	4. Increment
5.	2 Clerks 17—½—20	446	470	24	—	5. Increments
6.	4 Clerks 9—½—12	520	544	24	—	6. Increments
7.	5 Clerks 6—½—8	430	453	23	—	7. Increments
8.	Compensatory Allowance	7	8	1	—	8. Increase due to increments
9.	Orderlies	60	60	—	—	
	Total Personal Emoluments	£P. 2,880	3,024	144	—	
	B. *Other Charges.*					
10.	Transport and Travelling	350	350	—	—	(Auditor asks for £P.400)
11.	Lighting and Heating	15	12	—	3	
12.	Contingencies	8	8	—	—	
13.	Postage, Telegrams and Telephones	25	25	—	—	
14.	Share of Home Expenditure	56	74	18	—	
15.	Cost of Living Allowance	115	—	—	115	
	Total other Charges	569	469	18	118	
	Total Audit	£P. 3,449	3,493	162	118	Net increase £P.44

Head and Sub-Head.	*Revised Estimates 1931-32.*	*Estimates 1932-33.*	*Increase.*	*Decrease.*	*Remarks.*
Head XXII. Tribal Control Board.	£P.	£P.	£P.	£P.	
A. Personal Emoluments.					
1. His Highness the Amir Shaker	840	840	—	—	
2. Clerk .. .. .. £P.17—½—20	210	216	6	—	2. Increment
3. Nominated Member	60	60	—	—	
Total Personal Emoluments	£P.1,110	1,116	6	—	
B. Other Charges.					
4. Transport and Travelling	400	250	—	150	4. Saving due to formation of Desert Patrol
Total Tribal Control Board	£P.1,510	1,366	6	150	Net decrease £P.144
Head XXIII. Trans-Jordan Frontier Force.					
1-6th Estimated Ordinary Expenditure	30,909	29,815	—	1,094	
Total Trans-Jordan Frontier Force ..	£P.30,909	29,815	—	1,094	Net decrease £P.1,094

Head and Sub-Head.	*Original Estimates.*	*Actual Expenditure to 30th September, 1931.*	*Estimated further Expenditure to 31st March, 1932.*	*Estimated Expenditure 1932-33.*	*Remarks.*
Head XXIV. Public Works Extraordinary.	£P.	£P.	£P.	£P.	
Buildings.					
1. Repairs Kerak Governorate	1,200	—	—	150	
2. Repairs Kerak School	2,000	—	—	450	
3. Additional Barracks for Arab Legion on W/T Hill at Ma'an and concreting floor of existing Barracks	150	—	—	150	
4. Shutters for west side of Irbid Boys School	130	—	—	130	
5. Urgent Repairs to H.H. the Amir's Residence	1,000	—	—	400	
6. Fort at Jebel Rum for Desert Patrol	1,500	—	—	550	
7. Additions and Repairs to Central Prison, Amman	600	—	—	600	
8. Construction of Customs Post at El Hammeh	250	—	—	250	
9. Additions to Remtha Customs House	300	—	—	150	
10. Additions and Improvements, Jisr Mejamieh Customs ..	150	—	—	150	
11. Sanitary Improvements Kerak Prison	50	—	—	50	
12. Repairs, Tafileh School	100	—	—	100	
13. Balcony for Audience—Legislative Council	70	—	—	70	
Roads.					
14. Reconstruction Amman-Es Salt Road	20,000	6,693	2,382	3,200	
15. Reconstruction Es Salt-Allenby Bridge Road	35,000	—	—	1,000	
16. Opening Car Track for Desert Patrol in Lava Country ..	200	—	—	200	
17. Ditches and Culverts Kerak-Dead Sea Road	400	—	—	400	
Total Public Works Extraordinary				£P.8,000	
Head XXV. Posts, Telegraphs and Telephones Extraordinary.					
1. Completion Amman-Kerak Telephone and Telegraph Route (additional lines)	1,100	—	—	1,100	
2. Construction Kerak-Ma'an Telephone and Telegraph Route	5,000	—	—	500	Provision of £P.500 is for the purchase of stores only
Total Posts, Telegraphs and Telephones Extraordinary ..				£P.1,600	

Head and Sub-Head.	Original Estimates.	Actual Expenditure to 30th September, 1931.	Estimated further Expenditure to 31st March, 1932.	Estimates 1932-33.	Remarks.
	£P.	£P.	£P.	£P.	
Head XXVI. Police and Prisons Extraordinary.					
1. Purchase of camels for Desert Patrol	300	—	—	300	
2. Arms and Ammunition to complete re-arming of Arab Legion :—					
100 Rifles £P.585					
35,000 Rounds S.A.A. 198					
Spare Parts 100					
Freight, &c. 217					
	1,100	—	—	1,100	
Total Police and Prisons Extraordinary ..				£P.1,400	
Head XXVII. Trans-Jordan Frontier Force Extraordinary	—	—	—	£P.752	
Head XXVIII. Anti-Locust Campaign	—	—	—	£P.2,200	

Schedule "F."

Supplementary Budget for Agriculture.

	£P.	*Remarks.*
Fee for Irrigation Expert	—	Cost unknown.
2 Nurseries	300	
2 Experimental Stations	500	
2 Nurserymen @ £P.9—½—12	216	
2 Overseers—Experimental Stations @ £P.9—½—12	216	
Land for Nurseries and Experimental Stations ..	200	
Tobacco and Tombac Seed	30	
Agricultural Show	100	
Literature for Propaganda	50	
Total ..	£P.1,812	(Excluding Irrigation Expert).

Enclosure 7 in No. 78.

Memorandum on the Estimates of Revenue and Expenditure of the Trans-Jordan Administration for 1932-1933

Revenue.

Head I—Customs and Excise.

Item 1. The estimated receipts on account of Trans-Jordan's share of Syrian Customs duty had to be reduced in 1931-32 from an original estimate of £P.10,000 to a revised estimate of £P.8,000, and it is probable in the light of information now available that actual receipts will fall short of that figure by not less than *£P.1,000*. The continuous decline of receipts from this source is attributable to several causes. In the first place the Syrian Customs Administration has extended the exemption from duty to an increased number of foreign materials used for local Syrian manufacturers, and these locally manufactured articles are subsequently exported to Trans-Jordan in the place of foreign goods and no duty is payable to Trans-Jordan under the existing agreement.

The present rate of exchange has discouraged trade between Trans-Jordan and Syria, and merchants in Trans-Jordan are either using up their present stocks or importing from Palestine.

In addition to these two causes there has been an all round decline in trade owing to the poverty of many of the cultivators who are now doing without things in which they indulge in more prosperous days.

In view of this state of affairs it is not considered wise to provide for more than £P.4,000 from Syrian Customs.

Head II—Licences, Taxes, &c.

Under Item 8 the estimated receipts from Animal Tax are £P.38,000 as compared with an original estimate of £P.36,000 and revised estimate of £P.40,000 respectively for 1931-32. It is considered advisable to provide for slightly lower receipts in 1932-33 owing to the sales of livestock belonging to communities whose crops failed in 1931-32 and who were forced to sell their animals in order to purchase grain for food and seed, and to the loss of animals during the unusually heavy weather which was experienced in January of this year.

The estimate of receipts from Temettu Tax (Item 10) is lower by £P.1,500 than the estimate for the previous year because it is expected that the arrears of the tax due from the Palestine Electric Corporation will be collected during the present financial year and that in 1932-33 payments made by the Corporation will be on account of the assessments for that year only.

Under Item 12, Tithe, the provision is £P.48,000 as compared with an original estimate of £P.55,000 and the revised estimate of £P.37,600 in 1931-32.

The revised estimate for 1931-32 was based on the amount which was collectable having due regard to the remissions made as the result of crop failures and damage by locusts and to the general difficulty of collection owing to bad prices. It is hoped that no general remissions will be made in 1932-33 but it is now realized that the original estimate of £P.55,000 for 1931-32 was high, and although there is every prospect of a fair crop there is no reason to anticipate any improvement in the market value of grain.

Head III—Fees of Court, &c

Certain increases and decreases have been made under various items in the light of actual figures available for 1931-32 up to 31st December, 1931, and with a small allowance for improved conditions in 1932-33.

Head IV—Posts, Telegraphs and Telephones

Item 1 includes provision for receipts from the sale of stamps of a pictorial issue which it was intended to introduce at the end of 1931-32 but which will not be ready for issue until 1932-33.

The remaining items have been slightly changed on the basis of actual receipts for 1931-32 up to 31st December, 1931.

Head V—Revenue from Government Property.

Item 1—Rent of Land, &c., shows a slight increase. This is due to the fact that State Domains, which were previously cultivated on the basis of Rental Tithe, are gradually being leased, in most cases to the original cultivators, at a fixed rental.

Item 2—Rental Tithe. The decrease in the estimated receipts is partly due to the reason given under Item 1 above and to the fact that in the course of land settlement many areas previously classed as Government property were found to be morally, and in some cases legally, the property of the cultivators. In such cases the land has been surrendered by the Government in return for a nominal payment by the new owners.

EXPENDITURE.

Head IV—Pensions and Gratuities.

The provision under Item 1—Pensions has been increased in order to cover existing commitments with a small margin for new pensions which may be allowed in 1932-33. A list of pensions at present payable is appended hereto.

Head X—Customs and Excise.

Under Item 9 provision has been made for two additional Customs Officers at (£P.9—½—12 *per mensem*). One of these officers is required for a new Customs Post which it is proposed to establish at El-Hammeh on the Trans-Jordan—Palestine—Syrian Boundary. This post will be of great value in controlling smuggling and collecting statistical information as well as facilitating trade. Provision for the building has been inserted under Public Works Extraordinary.

The second officer is required to control the new sweets factory which, it is hoped, will be opened at Amman during the coming year. The Government's intention is to allow the proprietor to import sugar in bond and to charge a reduced rate of duty on the sugar actually used in the manufacture of sweets. In addition to assisting the development of local manufactures there will be a direct benefit to the Government in the form of the duty collected on the sugar contained in locally manufactured sweets. At present nearly all the sweets imported into Trans-Jordan are of Syrian manufacture and consequently enter free of duty.

Item 13 provides for two additional guards. One of these is for the El-Hammeh Post and the second will be stationed at Jisr Sheikh Hussein on the Trans-Jordan—Palestine Boundary for the double duty of collecting statistics and preventing smuggling.

Head XI—Public Health.

Item 32 provides for two caretakers for the Quarantine stations at Amman and Remtha at £P.3 *per mensem* each. This will enable the Public Health Department to maintain the two stations permanently, which is more economical and more convenient than pulling them down and re-erecting them from time to time.

Item 33 provides for an increase of £P.100 for Transport and Travelling. There is a corresponding decrease under the Transport and Travelling Vote under Head VII—Legal Department.

Transport expenses of Government Doctors who carry out examinations in criminal cases have in the past been paid by the Legal Department which is contrary to the provisions of the Transport and Travelling Law and the transfer of £P 100 has been made to enable the Public Health Department to follow the correct procedure of paying the travelling expenses of Government Doctors in such cases.

Head XII—Education.

The situation has been carefully examined in the light of the recommendations of the O'Donnell Commission and the evils of wastage and stagnation against which the Commission warns the Palestine Government are found to be present in Trans-Jordan. The remarks of the Commission in regard to the proper method of imparting agricultural education have also been taken to heart.

In consequence the proposal to open an agricultural school in Trans-Jordan has been abandoned in favour of a scheme to place a total of 12 boys in the Palestine Kadoorie school where the education imparted will, undoubtedly, be of far greater value, so that these boys after doing a three years' course there may become teachers in the Trans-Jordan Primary schools. In this year provision is made for four boys at a rate of £P.100 per head per annum.

The Government has agreed that the two highest secondary classes in the Irbid school should be cancelled at the end of the present scholastic year but will not abandon the proposal that the secondary school at Es-Salt, which at present has four secondary classes, should be turned into a boarding school so as to accommodate boys from other places who wish to complete their secondary education. These four classes at present accommodate 68 boys, for the instruction of whom there are seven masters. To spend more money on this secondary education which turns out a number of young men who are dissatisfied unless they can obtain posts under the Government, and this is not possible except for very few of them, is I believe wrong and in this I am supported by His Highness the Amir. The money can be spent to much greater advantage in preventing the stagnation of which the Economy Commission speaks by providing more teachers in the existing primary schools which the returns show to be badly understaffed. The Government whilst agreeing that the addition to the staff of primary teachers is necessary has desired to provide additional secondary education at Es-Salt school as well, but for the reasons given above and since the funds available do not permit of this, the provision for 16 additional primary teachers has been kept in the estimates agreed to by the Executive Council but the additional provision made by them for secondary education in this head and in Head XXIV has been cut out.

Head XVII—Department of Lands

Provision has been made for an extra clerk at (£P.6—½—8) *per mensem* for 6 months. The present staff of the Directorate is very small and the work is steadily increasing in proportion to progress in the field. Expropriation for the 'Iraq Petroleum Company's Pipe Line will also entail additional work.

Head XVIII—Police and Prisons.

Police.

1. In the estimates for 1930-31 and 1931-32 the Desert Patrol was shown under a separate sub-head. The Officer Commanding the Arab Legion has asked that the personal and other charges of the Patrol should be included in the general estimates of " A " Police and there appears to be no objection to this and the 1932-33 estimates have been prepared accordingly. Marginal references have been inserted against the various items to show where this has been done.

2. Under Item 31 of " A " Police—the provision has been made for three Cadets at £P.6 *per mensem* who will be trained as Police Officers. This scheme has already been sanctioned in principle by His Excellency the High Commissioner and

the British Resident's letter No. 3817 of 19th December, 1931, to His Excellency refers thereto.

3. Under Items 49—50—51 provision for increased establishment of drivers and driver fitters at reduced rates of pay has been made. The Officer Commanding the Arab Legion has submitted the following memorandum on this scheme which is recommended for approval:

"*Establishment of Chauffeurs*:—The new organization for chauffeurs has been designed with the object of providing personnel for doing minor repairs at Bair and Azraq, and thereby, saving much expense in petrol and also with the object of training Bedwin.

"It is proposed to commence with, to have two fitters at Amman and one at Azraq and one at Bair. Of the remaining men at £P.9 per month, one is the Officer Commanding's Desert Car Patrol driver and the other four are each in charge of two cars having Bedwin drivers under them. This gives a suitable reserve of drivers which is essential.

"It is the intention gradually to reduce the number of first class drivers and replace them by Bedwin who will get ordinary pay and a small allowance."

The Officer Commanding the Arab Legion has included in this scheme his personal driver who was previously included in the establishment of Naibs under Items 34—35. The number of Naibs has accordingly been reduced by one.

4. Under Items 14—15—16—51A provision has been made for an increase in the number of Wireless Telegraph Operators for and in connexion with the Desert Patrol, at reduced rates of pay. The previous establishment was two operators at £P.8 under "Police," one operator-mechanic at £P.12 Desert Patrol and four operators at £P.10 Desert Patrol. The total cost being then £P.916. The new proposal is for nine operators at £P.7 (Item 16) and desert allowance to four operators at £P.144 per annum. A total of £P.900. An extract from a letter from the Officer Commanding the Arab Legion giving the details of the new proposal is given hereunder:—

"I beg to inform you that in future it is proposed to have the following Wireless Stations in the Arab Legion:—

Mudowara Bair Azraq Jebel Rum		Classified as Desert Posts and each having one operator.
Amman.	Permanent watch—3 operators	Classified as Town Posts.
Ma'an.	2—Operators	
Aqaba.	3—Operators	

"When the Desert Car Patrol was formed it was decided to give four operators £P.10 per month each, this, however, I consider to be a mistake. I propose the following rates:—

(*a*) While under training.—£P.5 raised to £P.7 on qualifying.
(*b*) While serving in a Town Post.—£P.7.
(*c*) While serving in a Desert Post.—£P.7 and £P.3 desert allowance.

"The reason for this is that I am sure that the class of person who will become efficient in wireless work will not like serving permanently in the Desert Posts, but they will not object to the Town Posts, it is therefore advisable to encourage persons to go to the Desert Posts and also to give them chances of frequent relief."

The scheme provided for in the letter referred to above has since been modified by the exclusion of the 3 operators at Amman where it is proposed to continue using the Royal Air Force Wireless Telegram station and the number of operators required is thus reduced to 9 as provided in the estimates, and it is recommended that this provision be sanctioned.

5. The Officer Commanding the Arab Legion has requested that provision be made for a photographer to the C.I.D. Section at £P.6 per month. The Executive Council has not, however, approved of this suggestion on the grounds that since the photographic work has in the past been done by the existing personnel, they would not be justified in approving of this new post during the present financial stringency.

It is recommended that this should be deferred without prejudice to its reconsideration next year and provision has not therefore been made in this estimate.

6. Under 89.—Police—the provision for the upkeep of wireless has been increased to meet the cost of maintaining the new sets required under the scheme referred to above.

Prisons.

Under Items 6 to 10 the number of prison warders has been increased and the post regraded. This is based on the recommendations of a special board appointed by the Officer Commanding the Arab Legion to report on the organization of the Prisons in Trans-Jordan.

Against the increased cost of these proposals there is a reduction of £P.324 under Item 1 and in view of the fact that the net result of the reorganization is a saving on Personal Emoluments it is recommended that the new provision under Items 6 to 10 be sanctioned.

Head XXI—Audit Department.

The Auditor has asked that one additional clerk at (£P.6—½—8) per month should be provided for. The Executive Council are unwilling to sanction this increase on the grounds that the work has not increased and it is recommended that this should be deferred without prejudice until the financial position of Trans-Jordan improves.

Under Item 10, Transport and Travelling, the Auditor asks for £P.400 The Executive Council have only approved £P.350 in view of the fact that expenditure in the last two years has been below that figure.

Head XXIV—Public Works Extraordinary.

The works included in the schedule only represent a small portion of those which have been applied for and which are in most cases necessary.

Those which have been included in the 1932-33 estimates are all urgent and have been selected and restricted to keep the total cost within the limit of £P.10,000 fixed by the O'Donnell Commission and the financial capacity of the Government.

Head XXV—Posts and Telegraphs Extraordinary.

Expenditure under this head has also been restricted to the most urgent items.

Head XXVI—Police and Prisons Extraordinary.

Item 1—*Purchase of camels.*

It has been found that men in the Desert Police are unable to maintain their own camels as, in the places where they are stationed there is no grain; it is therefore desirable that all camels for the Desert Police should be Government property and that the money now given individuals for forage should be in future employed in purchasing grain in bulk for those camels. The sum provided is required to purchase the camels at present in possession of the men.

Item 2—*Purchase of Arms, &c.*

The sum of £P.1,100 is required to complete the re-arming of the Arab Legion.

In 1930-31 £P.5,530 was provided for the re-arming of the Arab Legion. This figure was based on an estimate prepared by the Officer Commanding the Arab Legion who omitted to make allowance for freight and other expenses. It was, therefore, found necessary to reduce the order placed with the Crown Agents by 100 rifles and a corresponding allotment of S.A.A. in order to keep the cost within the limit of the budgetary provision.

Head XXVIII—Anti-Locust Campaign.

Although there does not appear to be any immediate danger of invasion by locusts it is considered advisable to keep a sum of £P.2,200 in reserve to meet, at least in part, the cost of any measures which the Government may be forced to take.

List of Pensioners as at 15th February, 1932.

Name of Pensioner.	*Allotment per month.* £P.	Mils.
Tarifeh mother of Mohammed el Ali	0	308
Salih Abdullah Wishah	0	410
Sarah bint Omar abu Bakr	0	513
Faiz Ahmed abdel Muhdi	1	852
Najiah wife of Ahmed abdul Muhdi	0	923
Mohammed el Odeh	0	513
Zawabih mother of Musa	0	513
Abdel Fattah el Rashdan	10	254
Ismaeel Zuhdi Idrais	7	870
Ahmed ibn Mufaddi el Nijdawi	1	708
Fihmi Zaid	5	566
Fateem bint Abbas el Faris	0	500
Mohammed Rasheed Pasha el Madfaii	20	979
Khadeejih bint el Haj Ibrahim	0	400
Zainih bint Salim	0	454
Fatimeh bint Jameel el Hadeedi	0	454
I'tidal ,, ,, ,, ,, ...	0	454
Mohammed ibn ,, ,, ,, ...	0	454
Ibrahim ,, ,, ,, ,, ...	0	454
Mirza Pasha Wasfi	13	836
Fawziah bint Ahmed Tawfic	2	051
Shaziah wife of Ahmed Tawfic	1	026
Salim Ahmed Tawfic	2	051
Hameedih wife of Yahya Boy	2	642
Hassan abu Rassa'	2	002
Adbel Razzak abul Toyoor	0	436
Salah ,, ,, ...	0	436
Thurayya ,, ,, ...	0	436
Sameehah ,, ,, ...	0	436
Fattoom mother of Ahmed el Said	0	400
Mahmoud Ahmed el Said	0	400
Musa Ahmed el Said	0	400
A'ishih Mismar	0	400
Sund Mismar	0	400
Hikmat Mismar	0	400
Musa Zawar Bey	0	513
Najiah ,, ,, ...	0	513
Marum mother of Ali Dahhaj	0	328
Hussein Ali Dahhaj	0	328
Successors of Ahmed el Kaid	11	795
Abdul Salam Kamal	14	420
Badeea' Najja mother of Nejib Dimashkiah	0	677
Said el Baba	2	564
Mohammed Fayyath Ahmed	0	500
Haseebah ,, ,, ...	0	500
Fatimah Khatoon mother of Jack Nazoon	0	252
Baseerih wife of Sultan Ismail	0	400
Mohammed Bashir Sultan	0	400
Mohammed Tahir Sultan	0	400
Mohammed Thahir Sultan	0	400
Alya bint Chalib Pasha el Shi'lan	1	405
Adnan ibn ,, ,, ,, ,, ...	1	405
Birkzar ,, ,, ,, ,, ...	1	405
Nazmiah wife of Chalib Pasha ,, ...	0	702
Bahijah ,, ,, ,, ,, ,, ...	0	702
Nei'mah bint ,, ,, ,, ,, ...	1	405
Sa'da bint Hassan Wadi	1	075
Thulfareeda wife of Mohammed Ibrahim	0	500
Nashoosh bint ,, ,, ,, ...	0	500
Carried forward ...	126	320

Name of Pensioner.	*Allotment per month.* £P.	Mils
Brought forward ...	126	320
Haneefih wife of Mustafa Agha...	0	344
Marum bint Salih Abdul Ruhman	0	500
Hafeethah wife of Ahmed Nimr Shhabi	0	400
Thurayya bint ,, ,, ,, ,, ...	0	738
Sameehah bint ,, ,, ,, ,, ...	0	738
Fatimah wife of Ali Sharkas	0	400
Mohammed ibn ,, ,, ...	0	400
Isac ,, ,, ,, ...	0	400
Taj el Deen ,, ,, ...	0	400
Salah el Deen ,, ,, ...	0	400
Samiah bint ,, ,, ...	0	400
Sabri el Jaooni	4	100
Salim el Mazloom	7	750
Awath el Kurdi	2	051
Zahish wife of Mohammed el Khaleeli	0	400
Amira bint ,, ,, ,, ,, ...	0	400
Yosra ,, ,, ,, ,, ,, ...	0	400
Riza Tawfic	20	181
Tawfic Arrabi	4	102
Mohammed Sabri ibn Subhi Abdallah	0	400
Khaju wife of Subhi	0	400
Futha ,, ,, ,, ...	0	400
Hassan Khalid Pasha	37	033
Ibrahim Bey Hashim	17	500
Aneesih bint Abdel Lateef el Safadi	1	760
Ilfat wife of ,, ,, ,, ,, ...	0	880
Lugman Mohammed	1	847
Mohammed Abd el Chadir Marzook	0	500
Azeezih wife of Ahmed el Awwad	0	500
Muslimat wife of Abd el Azeez Zakaria	0	400
Khairiah ,, ,, ,, ,, ,, ,, ...	0	400
Huriah ,, ,, ,, ,, ,, ,, ...	0	400
Ahmed Abd el Azeez ,, ,, ,, ...	0	400
Khairiah wife of Mahmoud Abu Ras	4	103
Ni'mat bint ,, ,, ,, ,, ...	4	103
Flaih Abdallah	0	503
Abd Shihadih	0	462
Khaleel Awath	1	077
Fandi Barakat	1	077
Awath Ibrahim	0	769
Ibrahim Ahmed	0	769
Falih Awath	0	462
Thurayya Zaid el Saa'd	0	318
Habsa mother of Nejib Sa'd	1	129
Abboud Swais	0	462
Mohammed Abdo el'Ogla	0	400
Fareedih bint'Ogla	0	400
Hameedi Abdo el'Ogla	0	400
Hilalih Matar	0	400
Mohammed Musa Mustafa el Marawli	0	410
Ali Khulgi Pasha	14	968
Khairiah wife of Mohammed Ameen	0	500
Mohammed Khair ibn ,, ,, ...	0	500
Baha el Deen Kamal Salah	2	062
Fatimah wife of ,, ,, ...	1	031
Marum Ahmad Muhawish	0	400
Niimat Ahmed Muhawish	0	400
Hassan Mohammed	0	450
Ahmed Flaihan	0	300
Carried forward ...	271	499

Name of Pensioner.	*Allotmet per month.* £P.	Mils.
Brought forward ...	271	499
Fathyan Ahmed Muhawish	0	400
Nahar Ahmed	0	400
Jameelih Saleem Salamih atwal	0	410
Sood ibn ,, ,, ,, ...	0	410
Saleemih ,, ,, ,, ...	0	410
Michael el Heeshan	1	666
Khaleel Mustaf el Mua'ni	0	174
Hassan ibn Rasheed abu 'Ajjaj	0	410
Khaleel ,, ,, ,, ,, ...	0	410
Hafeethah bint Rasheed...	0	410
'Alya wife of Hussein el Karaki...	0	410
Za'ala bint Hussein	0	410
Yoosif ibn Saleem Diab	0	410
Ahmed ibn Hussein el Karaki	0	410
El Sheikh-Arif Tahboob	4	530
O'tawi Pasha	8	750
Osam el Deen Nejib Demashkiah	0	677
Salih el Mahasni	2	000
Abd el Nabi el Khatib	1	709
Salih Pasha el O'ran	7	500
Hamid Abd el Azeez	2	051
Safiah wife of Nejib Demashkiah	0	400
Total	£P.305	856

Enclosure 8 in No. 78.

(3670.)

YOUR EXCELLENCY, 23rd February, 1932.

I HAVE the honour to submit herewith the estimates of Revenue and Expenditure of the Trans-Jordan Administration for the year 1932-33.

2. The estimated expenditure amounts to £P.358,107 and the estimated revenue, excluding the Grant-in-Aid to the Trans-Jordan Administration, to £P.274,107, leaving a deficit of £P.84,000.

3. Your Excellency will observe from enclosure " C " that on the assumption that a Grant-in-Aid of £P.86,200 is paid in 1931-32 the surplus at 31st March, 1932, will be £P.4,018 and that a Grant-in-Aid of £P.84,000 will be required in 1932-33 if a working balance of approximately £P.4,000 is to be maintained.

4. These draft estimates have been approved by the Executive Council, with the following exceptions :—

(1) The following, in accordance with the recommendations of the O'Donnell Commission, has been deleted from Head VIII :—

Mudir el Aytam £P 13—16 ... ... £P.156

(2) For the reasons explained in the memorandum attached hereto, the following amounts have been deleted from Head XII (Education) :—

	£P.
2 Masters at Es Salt School at £P.21—1—25	252
1 Clerk at Es Salt School at £P.9—½—12	54
Cook, &c , at Es Salt School	72
Rations for Es Salt School reduced by	350
Books and Equipment for Schools reduced by	150

(3) From the Agricultural Estimates I have struck out a sum of £P.250 for the purchase of pedigree sheep and goats, and have also been obliged to withhold my recommendation for the inclusion of a supplementary estimate under that Head for various items amounting to £P.1,812 *Vide* Schedule F attached.

(4) *Under Head XVa*, I have reduced the provision for maintenance of buildings by £P.200 and that for maintenance of roads by £P.1,500.

(5) *Under Head XXIV* the provision of £P.2,000 for adding accommodation for boarders in Es Salt School has been struck out.

(6) A provision of £P.400 for adding an extra telephone line to Jerusalem under Head XXV has been similarly dealt with.

(7) On the other hand the provision made by the Government of £P.1,500 for Secret Service expenditure by the Officer Commanding the Desert Patrol is inadequate in my opinion and I have increased it to £P.2,000 which is the provision made for the current year.

(8) Provision has been included for the payment of Compensatory Allowance, on the subject of which I addressed Your Excellency on the 22nd January, 1932, in my letter No. 168/Sec.

5. Sir John Chancellor decided that the increase of pay recommended by me in the 1931-32 Estimates in favour of Messrs. Moffatt, Horsfield, and Ali Tabbara (Director of Agriculture) should be deferred for consideration in the following year.

Although I consider that the emoluments of these three gentlemen should most certainly be increased, I have not been able to make the provision, as it has been accepted by the Government that, in view of the financial situation, no promotions should be made.

6. The deplorable situation of the Sections of the Howeitat, living in the Hasma area, has been explained in Captain Glubb's reports. To improve this, a post in tents and equipped with a wireless has been established near Jebal Rum. It is, however, dangerous to leave this outpost thus exposed, and provision has been made in Head XXIV of £P.550 for erecting one of the two towers of a fort which will be approximately of the same pattern as those at Bair and Azraq and will cost a total of £P.1,500 to complete.

7. I enclose the following statements relating to the draft Estimates, together with an explanatory memorandum :—

A. An Abstract Statement of estimated revenue.
B. An Abstract Statement of estimated expenditure.
C. A Summary showing the estimated surplus at 31st March, 1933
D. A Statement of Assets and Liabilities as at 31st March, 1931.
E. Detailed Schedules of the estimated revenue and expenditure.

I have, &c.,
C. H. F. Cox,
British Resident.

Copy to :—F. A., Amman.
His Excellency,
The High Commissioner for Trans-Jordan,
Jerusalem.

C. 97738/32 [No. 221.

No. 79.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 83.]

SIR, Downing Street, 9th April, 1932.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to Treasury letter of the 14th March, No. S. 35961/01/32,* and to the semi-official letter from this Department of the 24th March,† forwarding a copy of the detailed Estimates of the Revenue and Expenditure of the Trans-Jordan Administration for the financial year 1932-33, from which the Lords Commissioners of the Treasury will have observed that, excluding grants-in-aid, the estimated financial position is as follows :—

	£P.
Estimated Expenditure	327,540
,, Revenue	243,540
Deficit	84,000

This deficit presupposes a working balance at the 31st March, 1932, of £P.4,000, and a similar amount as the working balance at the 31st March, 1933. Nothing, however, has been included in respect of the cost of the Trans-Jordan-Syria Boundary Commission under Expenditure Head 33, whilst, on the other hand, the sum of £P.2,200 has been inserted under Expenditure Head 31 in respect of an anti-locust campaign.

* C. 97738/32 [No. 18] : not printed.

† C. 97738/32 [No. 20] : not printed.

2. Their Lordships, in Sir R. V. Nind Hopkins' letter of the 15th February,* caused the sum of £82,000 to be provided under Sub-head I.3 of the Estimate for Colonial and Middle Eastern Services as a grant-in-aid of the Trans-Jordan Administration, which sum was to include any expenditure that might be necessary on a locust campaign and the expenses of the Syrian Boundary Commission.

3. The detailed estimates have now been carefully examined, and I am to submit, for Their Lordships' consideration, the following observations :—

Revenue. £P.243,540. This figure exceeds the finally revised Estimate of Revenue for 1931-32 by £P.14,000. The High Commissioner has already pointed out that revenue from all sources in Trans-Jordan has declined, and that the country has suffered from a succession of bad years on account of drought, locust invasions, low price of agricultural produce and a heavy loss of livestock, and that, in consequence, the capacity of cultivators (who represent by far the greater part of the taxpayers) to pay their taxes, has been seriously affected. In spite of the general poverty of the country, however, Sir Arthur Wauchope considers that there is reason to hope that the situation of the agricultural classes will undergo some improvement this year, and that it will not be necessary to remit taxes to the extent to which remission was granted in 1931-32. Sir Philip Cunliffe-Lister sincerely hopes that this will prove to be the case. As a result the revenue from licences and taxes, &c., has been increased from £P.118,100 in 1931 to £P.132,500 in 1932. Increases are also shown under Revenue Heads 3 and 4, whilst there is a decrease of £P.5,700 on Heads 1 and 7. The reason for the decrease under Head 1 is given at some length in enclosure 7 to the High Commissioner's despatch of the 17th March,† and the decrease under Head 7 due to a drop in the estimated profits of the Palestine Currency Board. It is not, at the moment, possible to foresee what the profits are likely to be.

4. I am to point out that the Financial Commission's Estimate of Revenue for 1932-33 was £P 273,000 (paragraph 316 of the report). This was, however, based on the figure of £P.263,850 inserted in the original estimates for 1931-32, which, however, was reduced in the final revised estimates to £P.229,540.

In paragraphs 8 and 9 of his despatch Sir Arthur Wauchope comments on the difference between the grant now requested and that recommended by the Commission, and to these comments Sir Philip Cunliffe-Lister has nothing to add.

5. Their Lordships will observe, however, that the estimate of revenue of £P.243,540 for 1932-33 may be increased by further receipts as the result of—

(*a*) the introduction of the Land Tax Law, which is now under discussion in the Legislative Council (Treasury reference S.31864), and

(*b*) proposals for increasing Sharia' Court fees,

and also that a further despatch is promised on the subject of the other recommendations of the Commission for increasing revenue. A further communication will, accordingly, be addressed to Their Lordships on these points as soon as the High Commissioner's despatch has been received and considered.

6. There is also the question of providing recurrent sources of revenue to offset the annual loss due to the reduction in the scale of licence fees payable on motor vehicles in Trans-Jordan (£P.1,805) to which reference was made in the letter from this Department to Their Lordships of the 29th of January,‡ and a further letter will also be addressed to your Department on this matter.

7. In the meantime, and in order to avoid delay in the approval of these Estimates, Sir Philip Cunliffe-Lister would propose to add the following amounts to the Revenue Heads in respect of the items referred to in paragraphs 5 and 6, viz. :—

		£P.
Head 1.	Customs and Excise	1,000
Head 2.	Licences, Taxes, &c.	2,800
Head 3.	Fees of Court, &c.	200
	Total	£P.4,000

thus increasing the total from £P.243,540 to £P.247,540.

8. Turning now to the Expenditure side of the Estimate, amounting to £P.327,540, I am first to observe that, on page 21 of the Estimates, the provision under Head XVIII has been overcast by £1,000, so that the total for that head should read £101,702, and the total estimate of Expenditure is thus reduced to £P.326,540.

* No. 77. † No 78. ‡ C. 89515/31 [No. 4] : not printed.

This figure, as compared with the estimate of £P.332,000 given by the Financial Commission in paragraph 316 of their Report, shows a reduction of £P.5,460. In this connexion I am to refer to Sir R. V. Nind Hopkins' letter of the 4th of December last (No. S. 36085/03)* and to point out that, not only have the recommendations of the Commission for reduction of expenditure in the main been put into effect, but that further economies have been effected by the Trans-Jordan administration.

9. Sir Philip Cunliffe-Lister has no remarks to offer on Heads I to VI. Under Head VII, Item 18, however, an increase of one clerk for the Public Prosecutor-General is shown with effect from the 1st of October, 1932. As no explanation has been afforded by the High Commissioner for this increase, the Secretary of State proposes to inquire as to the necessity for this post.

10 Under Head X, Customs and Excise, provision has been made for two additional Customs officers and two additional Guards. The explanation for this increase is given on page 4 of enclosure 7 to the despatch, and the Secretary of State would support the High Commissioner's proposals in this respect.

11. Under Head XI also provision is made for two Caretakers for the Quarantine Stations at Amman and Remtha to enable the Public Health Department to maintain the two stations permanently, and would appear to be an economical measure

12 As regards Head XII, Education, I am to draw Their Lordships' attention to Sir A. Wauchope's remarks in paragraph 6 of his despatch. It will be observed that the scheme for opening an agricultural school in Trans-Jordan has been abandoned, but that, instead, twelve boys in all at the rate of four a year will be sent for a three years' course of training in the Tulkarm Agricultural School, and that, as a further consequence, the two highest secondary classes of the Irbid School will be suppressed at the end of the current scholastic year.

13. With regard to Head XV A, Public Works Recurrent, Their Lordships will have observed that under Item 8 the provision for the maintenance of roads has been reduced to £8,500.

14 Under Head XVII, Department of Lands, provision has been made in Item 6 for an extra clerk with effect from the 1st of October, 1932. Having regard to the remarks in enclosure 7, Sir Philip Cunliffe-Lister would support this increase.

15. As regards XVIII, Police and Prisons, I am to state that the proposal to appoint Captain Glubb as Second-in-Command of the Arab Legion has been referred to Their Lordships in the letter from this Office of the 6th of April.†

Sir Philip Cunliffe-Lister would support the proposal to appoint 3 Cadets to the Legion after a period of training in the Palestine Police Training School, and Their Lordships will observe that the number of Arab officers in the Legion has been reduced from 32 to 29. With regard to the increase in the number of Drivers and Fitters for the Desert Patrol (Items 49 to 50), the Secretary of State considers that this increase, which affords a reserve of drivers and which provides personnel for doing minor repairs and enables Bedouins to be trained, is very desirable.

16. With regard to Head XXIII, Trans-Jordan Frontier Force, the inclusion in the Trans-Jordan Estimates of one-sixth of the cost of the Trans-Jordan Frontier Force was approved by Their Lordships in Treasury letter S. 28724/4 of 14th March 1932.‡

17. As regards Head XXIV, Public Works Extraordinary, Their Lordships will note that provision to the extent of £P.8,000 only has been made. In paragraph 302 of their Report the Financial Commission recommended that expenditure should be kept within the total of £P.10,000 a year.

18. With regard to Head XXVI, Police and Prisons Extraordinary, provision should be made for three wireless sets at a cost of £P.600, approved by Their Lordships in Treasury letter S. 35961/01/2/31 of 23rd March, 1932,§ as it was not possible to effect this purchase before the 31st March, 1932, owing to deliveries of complete sets to the Air Ministry following a fixed programme as regards assembly. This presumably will increase the balance on 31st March, 1932, from £P.4,000 to £P.4,600.

19. Under Head XXVIII the sum of £P.2,200 has been inserted for an anti-locust campaign, and Sir Philip Cunliffe-Lister, although he considers that this figure errs on the low side, would recommend that this provision should be allowed to stand.

20. He would also propose to insert under Head XXIX the sum of £P.3,000 in respect of expenditure on the Syria-Trans-Jordan Boundary Commission approved by Their Lordships in Treasury letter No. S. 30505/2 of the 15th of February ‖

* C. 89498/31 [No. 10] : not printed. † C. 97742/32 [No. 2] : not printed.
‡ C. 89477/31 [No. 5] : not printed. § C. 97798/32 [No. 19] : not printed. ‖ No. 12.

21. Reviewing the expenditure heads as a whole, Sir Philip Cunliffe-Lister feels that every effort has been made by the Trans-Jordan Government to reduce expenditure as much as possible, and he would propose to convey to the High Commissioner an expression of his appreciation of the action that has been taken in this respect.

22. I am now to request that Their Lordships may be moved to approve at an early date these Estimates as amended in the Statement attached, on the understanding that issues out of the grant-in-aid of £P.82,000 will be restricted as may be necessary when the further proposals for increasing revenue referred to in paragraph 5 are received and have been considered.

I am, &c.,
J. B. SIDEBOTHAM.

Enclosure in No. 79.

DRAFT STATEMENT.

TRANS-JORDAN ESTIMATES, 1932-1933.

Head of Revenue.	*Estimate submitted by High Commissioner.* £P.	*Estimate recommended by Colonial Office.* £P.
1 Customs and Excise	61,500	62,500
2. Licences, Taxes, &c.	132,500	135,300
3. Fees of Court, &c.	26,000	26,200
4. Posts, Telegraphs and Telephones ...	15,240	15,240
5. Revenue from Government Property ...	3,450	3,450
6. Interest	950	950
7. Miscellaneous	2,900	2,900
8. Sale of State Domains	1,000	1,000
Total Local Revenue ...	£P.243,540	£P.247,540
9. Grant-in-Aid to Trans-Jordan Government	84,000	82,000
10. Grant-in-Aid to Trans-Jordan Frontier Force	30,567	30,567
Total Receipts	£P.358,107	£P.360,107

Head of Expenditure.	*Estimate submitted by High Commissioner.* £P.	*Estimate as revised by Colonial Office.* £P.
1. Civil List	14,454	14,454
2. Public Debt and Loan Charges	590	590
3. Legislature	3,788	3,788
4. Pensions and Gratuities	5,800	5,800
5. Chief Minister and Interior	3,897	3,897
6. District Administration	7,464	7,464
7. Legal Department	15,863	15,863
8. Sharia' Courts	3,752	3,752
9. Ministry of Finance	15,507	15,507
10. Customs and Excise	8,112	8,112
11. Public Health Department	12,877	12,877
11A. Ma'an Quarantine	95	95
12. Education	24,713	24,713
13. Agriculture, Forests, and Veterinary ...	6,875	6,875
14. Antiquities	2,810	2,810
15. Public Works Department	5,109	5,109
15A. Public Works Recurrent	18,300	18,300
16. Posts, Telegraphs and Telephones ...	13,345	13,345
17. Lands Department	14,634	14,634

Head of Revenue.	*Estimate submitted by High Commissioner.* £P.	*Estimate revised by Colonial Office.* £P.
18. *Police and Prisons*:		
A. Police	101,702	101,702
B. Prisons	12,777	12,777
19. Miscellaneous	9,395	9,395
20. British Resident	6,622	6,622
21. Audit Department	3,493	3,493
22. Tribal Control Board	1,366	1,366
Total Ordinary Expenditure, Trans-Jordan Government ...	£P.313,340	£P.313,340
23. Trans-Jordan Frontier Force (Ordinary) One-sixth	£P.29,815	£P.29,815
Total Ordinary Expenditure ...	£P.343,155	£P.343,155
Extraordinary.		
24. Public Works Extraordinary	8,000	8,000
25. Posts and Telegraphs Extraordinary ...	1,600	1,600
26. Police and Prisons Extraordinary ...	1,400	2,000
27. British Resident Extraordinary	—	—
28. H.H. the Amir (Land Development) ...	—	—
30. Antiquities Extraordinary	—	—
31. Anti-Locust Campaign	2,200	2,200
32. Nejd Arbitration	—	—
33. Trans-Jordan-Syria Boundary Commission	—	3,000
Total Extraordinary Expenditure, Trans-Jordan Government ...	£P.13,200	£P.16,800
34. Trans-Jordan Frontier Force Extraordinary (One-sixth)	£P.752	£P.752
Total Extraordinary Expenditure	£P.13,952	£P.17,552
Total Expenditure	£P.357,107	£P.360,707

	£P.
Estimated surplus at 31st March, 1932	4,600
Add total estimated Revenue as shown on Sheet 1 ...	360,107
Total	£P.364,707
Less total estimated Expenditure	360,707
Estimated Surplus	£P.4,000

C. 97738/32 [No. 24].

No. 80.

TRANS-JORDAN.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 16th April, 1932.)

(Confidential.)

High Commissioner's Office, Jerusalem, 9th April, 1932.

SIR,

I HAVE the honour to refer to my Confidential despatch of the 17th March,* transmitting to you the draft Estimates of the Trans-Jordan Government for the year 1932-33 and, in particular, to paragraph 10 in which I promised a further despatch, at an early date, on the recommendations of the Financial Commission with regard to increasing revenue in Trans-Jordan. As I explained in that despatch, it is not to be expected that the Commission's recommendations will in the main be realized.

2. I deal with the Commission's recommendations *seriatim* in the following paragraphs to this despatch.

Amendment of Customs Agreement between Trans-Jordan and Syria (paragraph 305).

3. The question of amending the Customs Agreement between Trans-Jordan and Syria with a view to charging Customs duties on goods containing a substantial foreign content, which are imported into Trans-Jordan through Syria, was referred to the High Commissioner for Syria in 1931 and considerable correspondence has been exchanged with the French authorities on the subject since that date. It has, however, not yet been possible to reach agreement on the subject. The last despatch received from Syria was couched in terms which afford little ground for the expectation that fresh representations are likely to meet with success. The matter is still under consideration by the Trans-Jordan Government, and I will inform you of any progress made in the matter. Nevertheless, it is certain that the estimated increase in revenue of £P.2,000 to £P.3,000 which the Commission anticipated would be realized from the modification of the Agreement will not be obtained in the year 1932-33.

Reassessment of Payments by Palestine to Trans-Jordan (paragraph 306).

4. It is doubtful whether at the present time there are grounds for reassessing the amounts payable to Trans-Jordan. The question of collecting statistics on this matter is receiving attention.

Imposition of Excise Duty on "Hisheh" Tobacco (paragraph 307).

5. "Hisheh" tobacco is grown and consumed by the agricultural classes in Trans-Jordan, who are generally unable to afford to buy the better types of tobacco; and an attempt to impose an Excise Duty on this class of tobacco would thus throw an irritating financial burden upon the class of people who already provide the greater part of the revenue of the country. It is the British Resident's opinion, in which I fully concur, that it would be most impolitic to do so at the present time, and it is certain that an attempt to impose the tax would meet with very strong opposition from the Executive and Legislative Councils.

The Excise Duty on all tobacco, except on the cheapest brands which are taxed at .120 mils per kilogram has, however, recently been increased from .220 mils per kilogram to .250 mils per kilogram. On the basis of the average consumption in past years the increased revenue from this source should be £P.270 per annum.

The Excise Duty on cigarettes has been increased from .250 mils per kilogram to .300 mils per kilogram, and the anticipated increase in revenue is estimated at £P.830 per annum.

Adjustments in the Customs Tariff in particular in respect of Benzine, Sugar, and Matches to produce an additional revenue of £P.2,000 (paragraph 308).

6. The Commission were mistaken in stating that benzine, sugar, and matches are excluded from the scope of the Trans-Jordan—Palestine Agreement. All these articles can be brought into Trans-Jordan from Palestine free of duty if they have paid duty in Palestine; but the present difference in the rates of duty makes it profitable for merchants to import such articles as benzine, &c., via Palestine in transit, in which case the duty is collected locally and retained by Trans-Jordan.

* No. 78.

As regards the Syrian Agreement, all foreign goods are subject to a refund to Trans-Jordan of any duty paid on entry into Syria. Sugar and benzine are not normally imported into Trans-Jordan through Syria because, so long as transit facilities exist, importation through Haifa is cheaper.

Matches imported from Syria are of local manufacture and consequently exempt from duty under the Trans-Jordan—Syrian Agreement. The local Banderolle Tax is, however, collected on such matches.

It may be said that any appreciable increase in the Import Duty on sugar would almost certainly result in re-exportation to Trans-Jordan of large quantities on which duty had been paid in Palestine, as the greater part of the advantage derived from consignment to Trans-Jordan in transit would be removed. The result would therefore be a decrease in revenue inasmuch as the fixed payment made to Trans-Jordan by Palestine would not be increased on account of the re-exportation of sugar.

A further point is that there is no wealthy urban population in Trans-Jordan. Sugar is a commodity which is consumed in large quantities by the rural population, for whom it is one of the necessaries of life, and the condition of the majority of the people of Trans-Jordan is, at the present moment, bad. I am therefore averse from increasing the taxation on sugar.

With regard to benzine, the Trans-Jordan Government propose to enact a law whereby the municipal tax on benzine, as distinct from the Customs Import Duty, will be at a flat rate of 40 mils per 4-gallon tin for all municipalities. At present the Municipal tax at Amman is 49 mils and less in other municipal areas. It is also proposed that this tax shall be levied by the Customs authorities and the amounts so collected placed in deposit accounts in the names of the appropriate municipalities. Under this arrangement it will be possible to increase the State Customs Import Duty by 5 mils per gallon, to give an increase in revenue of £P.900 in a full year. It was not, however, possible to change the duty before the 1st April, 1932, and therefore when allowance has been made for delay in enacting the necessary legislation, the increase in revenue in 1932-33 cannot be estimated at a higher figure than £P.750.

The following increases have also recently been made in the Customs Tariff, and are estimated to yield approximately £P.150 per annum :—

Cut tobacco, from .650 mils per kilogram to .700 mils.
Cigarettes, from .850 mils per kilogram to .900 mils.
Arak and Brandy, from .150 mils per litre to .180 mils.
Whisky, from .150 mils per litre to .180 mils.
Rum and Vermouth, from .100 mils per litre to .130 mils.
Gin, Liquors, &c., from .150 mils per litre to .180 mils.
Alcohol, Potable, from 050 mils per litre to .100 mils.
Alcohol, not potable, from .010 mils per litre to .025 mils.

The Banderolle Duty on matches has been increased from 25 mils to 50 mils per gross; the estimated increase in revenue is £P.200 per annum.

Introduction of a Land Tax (paragraph 309).

7. The Land Tax Law has not yet been passed by the Legislative Council. The present position is explained in the enclosure to my despatch No. 58 of the 2nd April, 1932.*

Replacement of the Temettu Tax by a System of Licences (paragraph 311).

8. A law to replace the existing Temettu Tax Law is in course of preparation, and it is probable that the new law will cause an increase in revenue; but in view of the time which will necesarily be required for its consideration before it is finally approved, it is not likely that additional revenue will be realized during 1932-33.

Court Fees and Sharia' Court Fees (paragraph 312).

9. An addendum to the Court Fees Law of 1923 providing for the collection of Court Fees by means of stamps is under consideration. The Judicial Adviser has undertaken the revision of the Sharia' Court Fees and anticipates that it will be possible to realize increased revenue amounting to not less than £P.1,000 per annum. The full amount will not be reached in the year 1932-33, but provisionally the sum of £P.250 may be allowed.

* C. 97746/32 [No. 6] : not printed.

Increase in Inland Postage Rate from 5 to 6 mils (paragraph 313).

10. As I informed you in my despatch Palestine Confidential of the 19th December, 1931,* I propose that the inland postage rate in Palestine should remain at 5 mils, and, therefore, since it is generally desirable that postal rates in Palestine and Trans-Jordan should be identical, I consider that the recommendation for increasing the rate in Trans-Jordan should not be pursued.

The British Resident also considers that any increase in the inland postage rate in Trans-Jordan would result in a decrease in the number of letters sent through the Post Office, thus leading to a decrease in revenue. The revision of other postal charges is now under consideration.

11 It will be observed from the preceding paragraphs of this despatch that steps have now been taken which will produce the following additional revenue in 1932-33 :—

	£P.
(*a*) Excise Duty on tobacco and cigarettes	1,100
(*b*) Import Duty on tobacco, cigarettes, and alcohol in its various forms	150
(c) Banderolle Duty on matches	200
Total	£P.1,450

Provision was not made for this increase in the draft estimate of revenue for the year 1932-33, and I do not think that this estimate should be increased until later in the year when the revenue position will be clearer.

The British Resident urges the consideration that unless negotiations with Syria for the amendment of the Customs Agreement are concluded satisfactorily in the near future, there is likely to be a further decline in receipts from the Syrian Customs. The implementing of certain of the recommendations of the Commission may not therefore lead to a net increase in the revenue of the Trans-Jordan Government.

12. In addition to the increases mentioned above, the following increases in 1932-33 are conditional on the enactment of the necessary legislation in due time :—

	£P
(*a*) Import Duty on benzine	750
(*b*) Sharia' Court fees	250
Total ...	£P.1,000

In view of possible delays in the passing of the necessary legislation, I do not consider that any definite increase should yet be made in the revenue estimate for the year.

Finally, there is the further increase of revenue to be realized in the year following 1932-33 from the same two sources when the additional duty and fees will have effect in a full year :—

	£P.
(*a*) Import Duty on benzine	150
(b) Sharia' Court Fees	750
Total ...	£P.900

13. In the year 1933-34, therefore, there should be a net increase of revenue of not less than £P.3,350 as the result of measures which have already been taken or are under consideration, excluding additional revenue to be derived from the enactment of the Land Tax Law, the law replacing the Temettu Tax Law and the change in the Syrian Customs Agreement.

I have, &c.,
ARTHUR WAUCHOPE,
High Commissioner for Trans-Jordan.

* C. 87342/31 [No. 4] : not printed.

C. 97738/32 [No. 25].

No. 81.

TRANS-JORDAN.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by No.* 84.]

(Confidential.)

SIR, Downing Street, 21st April, 1932.

I HAVE the honour to refer to your Confidential despatch of the 17th of March,* forwarding the detailed estimates of Revenue and Expenditure of the Trans-Jordan Administration for the year 1932-33, and to enclose for your information a copy of a letter† (and supporting statements) which has been sent to the Lords Commissioners of the Treasury on this subject.

2. You will observe from these statements of revenue and expenditure that, under Head 9 of Revenue, a sum of £82,000 has been shown as the grant-in-aid to the Trans-Jordan Government for 1932-33. This figure was inserted by Their Lordships in the vote for Colonial and Middle Eastern Services for 1932 in the circumstances shown in Sir R. V. Nind Hopkins' letter of the 15th of February,‡ a copy of which is enclosed for your information.

3. As this figure cannot be increased without the presentation of a Supplementary Estimate to Parliament, it was necessary to make certain alterations in the estimates of Revenue and Expenditure submitted by you. These are as follows :—

Head 1. Increase of £P.1,000 to £P.62,500.
Head 2. Increase of £P.2,800 to £P.135,300.
Head 3. Increase of £P.200 to £P.26,200.

4. The increase under Head 1 was made as a result of the proposals referred to in your Confidential despatch of the 12th of March,§ and it seems possible that a further increase might be anticipated under this Head.

5. As regards Head 2 the increase was made in anticipation of further revenue becoming available as a result of the introduction of the Land Tax Law. Having regard, however, to your Confidential despatch of the 9th of April‖, which was received after the Estimates had been submitted to the Treasury, this increase may prove to be somewhat optimistic but may be offset by the possible increase under Head 1.

6. As regards Head 3, the increase of £P.200 is covered by paragraph 9 of your Confidential despatch of the 9th of April.

7. On the whole, therefore, I am not disposed to recommend, at the moment, that any alteration should be made in the estimate of Revenue which has been submitted to the Treasury.

8. With regard to the expenditure side of the Estimate, you will observe that an increase of £P.600 has been made under Head 26. This is due to the fact that the three wireless sets, estimated to cost £600, ordered for the Arab Legion could not be delivered before the 31st of March. As a result the estimated surplus of £P.4,000 as at the 31st of March last has been increased to £P.4,600.

9. The sum of £P.3,000 has been provided under Head 33, Trans-Jordan-Syrian Boundary Commission, to cover the expenses of that Commission

10. I will address you further on receipt of Their Lordships' reply.

I have, &c.,
P. CUNLIFFE-LISTER.

C. 97738/32 [No. 26].

No. 82.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 83.]

SIR, Downing Street, 13th May, 1932

WITH reference to the fifth paragraph of the letter from this Department of the 9th April,† I am directed by Secretary Sir Philip Cunliffe-Lister to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch¶ from the

* No. 78. † No. 79. ‡ No. 77. § C. 97734/32 [No. 1] : not printed.
‖ No. 80. ¶ C. 97738/32 [No. 27] : not printed.

High Commissioner for Trans-Jordan regarding the recommendations of the Financial Commission with regard to increasing revenue in Trans-Jordan. A copy of the High Commissioner's despatch No. 58 of the 2nd April,* referred to in the seventh paragraph, relative to the present position of the proposed Land Tax Law is also enclosed.

2. Their Lordships will observe that the High Commissioner's proposals for increasing revenue are as follows :—

	1932-33.	1933-34.
	£	£
(A) *Already in force.*		
(1) Excise Duty on tobacco and cigarettes ...	1,100	1,100
(2) Import Duty on tobacco, cigarettes, and alcohol	150	150
(3) Banderolle Duty on matches	200	200
(B) *Legislation which may be enacted shortly.*		
(1) Import Duty on benzine	750	900
(2) Sharia' Court Fees	250	1,000
Totals	£2,450	£3,350

Sir Philip Cunliffe-Lister regrets that it is not possible to secure so large an increase in revenue as the Financial Commission had anticipated. But in view of the explanations furnished by the High Commissioner, he accepts the recommendations made in the High Commissioner's despatch, and he proposes, subject to Their Lordships' concurrence, to approve them.

3. The Secretary of State does not consider it advisable again to revise the draft Estimates of Revenue and Expenditure for 1932-1933 in the light of the High Commissioner's proposals, having regard to the uncertainty concerning the position of the proposed Land Tax Law and to the statement made in the second sentence of paragraph 12 of the High Commissioner's despatch of the 9th April.

I am, &c.,
O. G. R. WILLIAMS.

C. 97738/32 [No. 32].

No. 83.

TREASURY to COLONIAL OFFICE.

[*Answered by No.* 88.]

(S.35961/01/32.)

Treasury Chambers, 25th May, 1932.

SIR,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Colonial Office letters of the 9th April† and the 13th May, 1932,‡ on the subject of the Estimates of the Trans-Jordan Administration for the financial year 1932-33, and They direct me to request you to convey to the Secretary of State the following reply.

2. My Lords note that after certain adjustments have been made in the Estimates as submitted by the High Commissioner, the total figures (excluding Trans-Jordan Frontier Force Heads) are as follows :—

	£P.
Revenue	247,540
Expenditure	330,140
Deficit	£P.82,600

3. The Revenue estimates (which exceed by £P.18,000 the 1931-32 Estimates as finally approved) are based on the expectation that there will be an improvement in the agricultural situation in Trans-Jordan during the year, and that it will not be necessary to remit taxes to so great an extent as in 1931-32. My Lords share the hope expressed by the Secretary of State that this expectation will be realized; but on the

* C. 97746/32 [No. 6] : not printed. † No. 79. ‡ No. 82.

information before Them They do not feel that the outlook is such as to inspire confidence.

4. As regards the action taken on the recommendations of the Financial Commissioners for imposing additional taxation in Trans-Jordan, My Lords note that increased duties already in force are expected to produce additional receipts during 1932-33 of £P.1,450, and that a further £P.1,000 is anticipated as a result of legislation which may be enacted shortly. The total revenue from further taxation during 1932-33 is therefore estimated at £P.2,450 as compared with the figure of £P.9,000 contemplated by the Financial Commissioners. No forecast can be made of the proceeds in future years from such additional taxation, until a decision is finally reached as to the proposed new Land Tax. I am to request that further information on this subject may be furnished in due course.

5. My Lords view with concern the general financial position as disclosed in the Estimates and in the High Commissioner's despatch of the 9th April, 1932,* on the subject of increased taxation. The deficit of £P.82,600 for 1932-33 shown in the draft Estimates is greatly in excess of the amount contemplated by the Financial Commissioners. My Lords are apprehensive, moreover, that the estimate of Revenue may prove to be unduly optimistic, and that there is a grave risk even of an increase in the budgetary deficit at present shown. The outlook for later years is no less disturbing than that for 1932-33, particularly in view of the failure to find new sources of revenue.

6. In the present financial situation of this country the necessity for reducing demands on the Imperial Exchequer is imperative, and My Lords are bound to ask that steps may progressively be taken so to reduce the deficit on the Budget that the amount of the grant required from the United Kingdom Exchequer will more closely approximate to the amount recommended by the Financial Commissioners. My Lords appreciate the efforts already made to curtail expenditure, which have resulted in reducing the estimate of total expenditure to a figure some £2,000 less than that mentioned in the Financial Commissioners' Report, but in view of the falling off in revenue They have no alternative but to ask that further economies shall be effected. Their Lordships request, therefore, that, as a necessary measure of safety at the present time, the High Commissioner may be instructed to effect a reduction of 5 per cent., or approximately £P.16,500, in the total expenditure Estimate (excluding Trans-Jordan Frontier Force Heads), the allocation of this reduction between the various services being left to the discretion of the High Commissioner. Subject as aforesaid, My Lords are prepared to approve the estimates of Revenue and Expenditure submitted for the year 1932-33.

7. I am to add that My Lords would be willing to consider the restoration of such services as it may be necessary to curtail in order to secure the above reduction, as and when the realized revenue may warrant that course.

I am, &c.,
R. V. NIND HOPKINS.

C. 97738/32 [No. 38].

No. 84.

TRANS-JORDAN.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 31st May, 1932.)

(Confidential.)

High Commissioner's Office, Jerusalem, 23rd May, 1932.

SIR,

I HAVE the honour to refer to your Confidential despatch of the 21st April, 1932,† on the subject of the estimates of Revenue and Expenditure of the Trans-Jordan Administration for the year 1932-33, and to make the following comments on the despatch and enclosures.

2. With regard to paragraph 8 of the Colonial Office letter of the 9th April, 1932,‡ to the Treasury, the correct total of the provision under Head XVIII (A) is £P.102,702. Item 35 of this Head should read £P.3,612 and not £P.2,612 as appears in the draft Estimates. The error was a typographical one.

* No. 80. † No. 81. ‡ No. 79.

3. With regard to paragraph 9 of the same letter relating to the increase of one clerk under Head VII, Item 18, the Judicial Advisor has asked for the provision of this post on account of the considerable pressure of work in his office. In addition to his normal work, the Public Prosecutor-General is a member of the Executive Council and of the Legislative Council and is also President of the Administrative Committee of the latter body. These additional duties entail extra clerical work which cannot be efficiently performed by the existing staff.

4. Although the accounts for the year 1931-32 have not yet been closed, it is anticipated that the surplus as at 31st of March, 1932, will be £P.5,000, namely, £P.400 in excess of the surplus of £P.4,600 for which allowance was made.

5. In addition to the increased expenditure of £P.1,000 under Head XVIII (A), I have asked for authority in my despatch No. 97 of 21st May,* for the revote of £P.122 under Head XXIV, Public Works Extraordinary, in respect of works for which provision was made in the year 1931-32. Against the consequent additional expenditure of £P.1,122 the increased surplus of £P.400 can be set.

I recommend that the balance of £P.722 should be met as follows:—

	£P.
(1) *Revenue Head VI, Interest*, to be increased by the insertion of a new item (5), "Interest on Balances in Joint Colonial Fund." The receipts from this source in 1931-32, as recently notified by the Crown Agents for the Colonies, amounted to £P.139	140
(2) *Revenue Head VII, Miscellaneous*, to be increased by the insertion of a new item (3), "Royalties from Dead Sea Concession." The amount received in 1931 was £P.275. No provision was made in the draft Estimates, as the question whether any part of the royalties should be paid to Trans-Jordan was still under discussion (see correspondence ending with my despatch Palestine, Confidential B, dated the 16th April, 1932†)	280
(3) *Expenditure, Head XIX, Miscellaneous*, Item 9 to be reduced by £P.2	2
(4) *Expenditure, Head XXXI, "Anti-Locust Campaign,"* to be reduced by £P.300	300
	£P.722

6. The position will be as follows:—

	£P.
Estimated surplus at 31st March, 1932	5,000
Add total estimated Revenue as shown in Statement "A" which is enclosed herewith	360,527
Total	£P.365,527
Less total estimated Expenditure as shown in Statement "B" which is enclosed herewith	361,527
Estimated surplus at 31st March, 1933	£P.4,000

I have, &c.,
ARTHUR WAUCHOPE,
High Commissioner for Trans-Jordan.

* C. 97798/32 [No. 35]: not printed.

† C. 97075/32 [No. 5]: not printed.

Enclosure 1 in No. 84.

STATEMENT "A."

Trans-Jordan Estimates, 1932-33.

Revenue.

	Head of Revenue.	*Estimate recommended by Secretary of State.*		*Revised Estimate now recommended.*
		£P.		£P.
1.	Customs and Excise	62,500	...	62,500
2.	Licences, Taxes, &c.	135,300	...	135,300
3.	Fees of Court, &c.	26,200	...	26,200
4.	Posts, Telegraphs, &c.	15,240	...	15,240
5.	Revenue from Government Property... ...	3,450	...	3,450
6.	Interest	950	...	1,090
7.	Miscellaneous	2,900	...	3,180
8.	Sale of State Domains	1,000	...	1,000
	Total Local Revenue ...	£P.247,540	...	£P.247,960
9.	Grant-in-Aid to Trans-Jordan Government ...	82,000	...	82,000
10.	Grant-in-Aid to Trans-Jordan Frontier Force	30,567	...	30,567
	Total Receipts ...	£P.360,107	...	£P.360,527

Enclosure 2 in No. 84.

STATEMENT "B."

Trans-Jordan Estimates, 1932-33.

Expenditure.

		Estimate recommended by Secretary of State.		*Estimate now recommended by B.R.*
		£P.		£P.
1.	Civil List	14,454	...	14,454
2.	Public Debt and Loan Charges	590	...	590
3.	Legislature	3,788	...	3,788
4.	Pensions and Gratuities	5,800	...	5,800
5.	Chief Minister and Interior	3,897	...	3,897
6.	District Administration	7,464	...	7,464
7.	Legal Department	15,863	...	15,863
8.	Sharia' Courts	3,752	...	3,752
9.	Ministry of Finance	15,507	...	15,507
10.	Customs and Excise	8,112	...	8,112
11.	Public Health Department	12,877	...	12,877
11A.	Ma'an Quarantine	95	...	95
12.	Education	24,713	...	24,713
13.	Agriculture, Forests, and Veterinary ...	6,875	...	6,875
14.	Antiquities	2,810	...	2,810
15.	Public Works Department	5,109	...	5,109
15A.	Public Works Recurrent	18,300	...	18,300
16.	Posts, Telegraphs and Telephones	13,345	...	13,345
17.	Lands Department	14,634	...	14,634

		£P.		£P.
18.	*Police and Prisons*—			
	A. Police	101,702	...	102,702
	B. Prisons	12,777	...	12,777
19.	Miscellaneous	9,395	...	9,393
20.	British Resident	6,622	...	6,622
21.	Audit Department	3,493	...	3,493
22.	Tribal Control Board	1,366	...	1,366
	Total Ordinary Expenditure Trans-Jordan Government	£P.313,340	...	£P.314,338
23.	Trans-Jordan Frontier Force (Ordinary) 1/6th	29,815	...	29,815
	Total Ordinary Expenditure	£P.343,155	...	£P.344,153
	Extraordinary.			
24.	Public Works—Extraordinary	8,000	...	8,122
25.	Posts and Telegraphs—Extraordinary ...	1,600	...	1,600
26.	Police and Prisons ,, ...	2,000	...	2,000
27.	British Resident ,, ...	—	...	—
28.	H.H. the Amir (Land Development)	—	...	—
30.	Antiquities ,, ...	—	...	—
31.	Anti-Locust Campaign	2,200	...	1,900
32.	Nejd Arbitration	—	...	—
33.	Trans-Jordan Syria Boundary Commission ...	3,000	...	3,000
	Total Extraordinary Expenditure Trans-Jordan Government	£P.16,800	...	£P.16,622
34.	Trans-Jordan Frontier Force, Extraordinary Expenditure (one-sixth)	752	...	752
	Total Extraordinary Expenditure	£P.17,552	...	£P 17,374
	Total Expenditure	£P.360,707	...	£P.361,527

C. 97738/32 [No. 34].

No. 85.

TRANS-JORDAN.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by No.* 87.]

(Confidential.)

Downing Street, 1st June, 1932.

SIR,

WITH reference to my Confidential despatch (2) of the 27th May,* transmitting a copy of a letter† from the Treasury on the subject of the estimates of Expenditure and Revenue of the Trans-Jordan Administration for the financial year 1932-33, I have the honour to inform you that, subject to a reduction of £P.16,500 being effected in the total estimate of Expenditure, thus reducing the figure to £P.313,640 (exclusive of Trans-Jordan Frontier Force Heads), as requested in paragraph 6 of the Treasury letter, I approve these estimates. A copy of the letter from this Department of the 13th May,‡ to which reference is made in the Treasury letter, is enclosed for your information.

* C. 97738/32 [No. 33] : not printed. † No. 83. ‡ No. 82.

2. I shall be glad if you will furnish me as soon as possible with your suggestions for meeting the Treasury requirements. I would observe in this connexion that, if a portion of the £P.16,500 can be found by a definite increase in the revenue, I should be prepared to consider the matter.

3. I shall also be glad if you will submit a report on the revenue situation to reach me by the 31st December, in order that I may be in a position to consider the question of the restoration of such services as have been curtailed.

I have, &c.,
P. CUNLIFFE-LISTER.

C. 97738/32 [No. 44].

No. 86.

COLONIAL OFFICE to TREASURY.

SIR,

Downing Street, 16th June, 1932.

WITH reference to the letter from this Department of the 9th April,* I am directed by Secretary Sir Philip Cunliffe-Lister to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch† from the High Commissioner for Trans-Jordan regarding the estimates of Revenue and Expenditure of the Trans-Jordan Administration for the financial year 1932-33.

2. The Estimates have again been revised as follows:—

Additional Expenditure.	£P.	*Additional Revenue.*	£P.
Head XVIII A—Police ...	1,000	Head VI—Interest	140
Head XXIV—Public Works Extraordinary	122	Head VII—Miscellaneous ...	280
	£P.1,122	Carry forward ...	400
Less	820		£P.820
Amount of additional expenditure over revenue ...	£P.302		

This will be met by:—

	£P.
Reduction of Head XIX—Miscellaneous	2
,, ,, ,, XXXI—Anti-locust campaign ...	300
	£P.302

3. Before taking any action on the enclosed despatch Sir Philip Cunliffe-Lister proposes to await a reply to his Confidential despatch of the 1st June,‡ of copy of which accompanied the letter from this Department of the 7th June.§

I am, &c.,
O. G. R. WILLIAMS.

* No. 79. † No. 84. ‡ No. 85. § C. 97738/32 [No. 43] : not printed.

C. 97738/32 [No. 48].

No. 87.

TRANS-JORDAN.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 21st July, 1932.)

[*Answered by No.* 96.]

(Confidential.) High Commissioner's Office,
Jerusalem, 14th July, 1932.

SIR,

I HAVE the honour to refer to your Confidential despatch of the 1st June,* on the subject of the estimates of Revenue and Expenditure of the Trans-Jordan Government for the financial year 1932-33, and to transmit herewith a copy of a letter from the British Resident together with the enclosures thereto.

2. It will be observed from these enclosures that the Trans-Jordan Government has effected a reduction of £P.16,500 in the grant-in-aid to be provided by His Majesty's Government.

3. The reduction of £P.16,500 has been effected as follows:—

	£P.
Increase in surplus at 31st March, 1932	400
Increase in Revenue	3,200
Reduction in Expenditure—	
Ordinary	9,749
Extraordinary	3,330
Total	£P.16,679
Less certain increases in expenditure see paragraph 5 of Colonel Cox's letter	179
Total reduction	£P.16,500

4. With regard to the increases in revenue, I am prepared to accept Colonel Cox's recommendations although I am a little doubtful whether so large an increase in the royalties derived from the operation of the Dead Sea Concession, as that estimated by Colonel Cox, is likely to be realized. Nevertheless as this estimate is based on information emanating from the concessionnaires I am disposed to accept it; but it will be necessary to consider later in the year from what other source an equivalent amount can be found if the estimated receipts from royalties are not realized.

5. In order that there may be no delay in effecting the necessary economies, I have approved the British Resident's detailed recommendations, and accordingly I should be glad if you would inform me by telegraph if you do not accept any part of them.

I have, &c.,
ARTHUR WAUCHOPE,
High Commissioner for Trans-Jordan.

Enclosure in No. 87.

OFFICE OF THE BRITISH RESIDENT, TRANS-JORDAN.

(3670.) Amman, 28th June, 1932.

YOUR EXCELLENCY,

I HAVE the honour to refer to your letter No. T/322/31 of the 18th June, 1932, and to submit the following proposals for the reduction of the deficit on the Estimates of the Trans-Jordan Administration for the financial year 1932-33.

You will observe from enclosure "A" (Summary) that the actual surplus at the 31st March, 1932, was £P.5,400 as compared with the estimate of £P.5,000 given in paragraph 6 of my letter No. 3670 of the 11th of May, 1932, addressed to Your Excellency.

I have assumed that this increase of £P.400 in the surplus carried forward from 1931-32 may be utilized to reduce the deficit on the 1932-33 Estimates, particularly in view of the fact that it has now become necessary to provide for the revote of a sum of £P.950 under Head XXVI, Police and Prisons Extraordinary. I will again refer to this revote in a subsequent paragraph of this letter.

* No. 85.

2. I submit the following remarks regarding *Revenue*:—

Head I—Customs and Excise.

The position as regards the receipts from Trans-Jordan's share of Syrian Customs is still uncertain, and in the circumstances I cannot advise any increase in the total of the estimated receipts from Customs and Excise in spite of the measures taken to increase the receipts from sources other than "Syrian Customs" by raising some of the duties.

In his letter of the 13th May, 1932, to the Treasury, the Secretary of State supports this view, and it would be unwise to depart therefrom at the present moment.

Head II—Licences, Taxes, &c.

The Secretary of State has already increased the estimate of £P.132,500 to £P.135,300, and a further increase would not be justifiable.

Head III—Fees of Court, &c.

(1) In view of the progress which has been made in the revision of "Sharia' Court Fees" I feel that an increase of £P.500 can be made in the estimate of receipts under this Sub-head.

(2) Since the last estimate of Revenue was prepared, the Government had started to collect pension contributions from the men of the Arab Legion. The estimate of receipts under Sub-head 4, Pension Contributions, can be increased by £P.2,000, on this account.

Head VII—Miscellaneous.

Under Sub-head 3 of this Head an estimate of £P.280, based on previous years, was included on account of royalties from the Dead Sea Concession.

I have been informed by one of the Directors that there is good reason to anticipate that the actual payments to Trans-Jordan on this account in 1932-33 will be not less than £P.1,000. The estimated receipts under Sub-head 3 have therefore been increased by £P.700.

3. The total increase in the estimates of Revenue for 1932-33 referred to in the preceding paragraphs is £P.3,200, and I enclose herewith a schedule (enclosure "B") showing the total estimated receipts on the basis of these increases under each Head of Revenue, as compared with the previous estimate.

It will be observed that in this schedule the amount of the grant-in-aid from His Majesty's Government is £P.65,500, which is £P.16,500 less than the grant-in-aid of £P.82,000 previously asked for.

4. Before dealing with the proposed economies under Expenditure I would point out that it has been found necessary to include provision for the following services for which no provision was made in the previous Estimates.

Head II—Public Debt and Loan Charges.

The provision has been increased from £P.590 to £P.591. The actual amount of the annuity payable to His Majesty's Government is £590 sterling, and the increase has been made to ensure that the actual payment made shall be within the authorized provision.

Head VII—Legal Department.

In my letter to Your Excellency No. 3670/8 dated the 18th May, 1932, I recommended that an additional typist should be provided for at £P.9-12 *per mensem*. This was approved by Your Excellency in a letter No. T/150/32 of the 28th May, 1932, and I have allowed a sum of £P.100 to cover this post, in the total provision for the Legal Department in enclosure "C."

Head VIII—Sharia' Courts.

In my letter No. 3543 of the 6th June, 1932, I recommended that provision should be made for the post of Mudir Aytam at a salary of £P.13-16 *per mensem*.

On the assumption that this post will be filled after the 1st October, 1932, I have included £P.78 in the total provision for the Sharia' Courts as shown in enclosure "C."

Head XXVI—Police and Prisons Extraordinary.

In a letter dated the 14th June, 1932, the Officer Commanding the Arab Legion requested that a sum of £P.1,000 should be revoted out of the unexpended balance of the provision for Arms and Equipment, Desert Patrol. The Financial Adviser had not previously been informed that this revote was required, and provision was consequently not made in the previous Estimates.

The actual final claims received by the Arab Legion from the Air Ministry amount to approximately £P.936, and I therefore recommend that the revote should be limited to £P.950.

The original provision for this service dates back to 1930-31 when the Desert Patrol was formed. In 1931-32 the Secretary of State authorized a revote of £P.5,123 in his Secret despatch to Your Excellency of the 6th October, 1931, and in the final revision of the 1931-32 Estimates the provision was reduced to £P.5,007. Owing to delay in the submission of claims by the Air Ministry, the actual expenditure was only £P.3,888 leaving an unexpended balance of £P.1,188, out of which it is now desired to revote £P.950, which is, however, offset by a corresponding saving on the same Head.

The necessary provision has been included under Head XXVI in enclosure " C."

5. Enclosure " D "* shows the proposed reductions on Recurrent expenditure under Other Charges. With a very few exceptions these proposals are based on the actual expenditure for 1931-32, which is shown in each case against the items on which a reduction is recommended.

Of the items on which a greater reduction has been made than is warranted by the actual expenditure for 1931-32, the following require special explanation :—

Head VII—Item 45, *and Head XI—Item* 33.

In preparing the draft Estimates for 1932-33 it was decided that £P.100 should be transferred from the former item to the latter. This was done in order that the travelling expenses of Medical Officers engaged on criminal cases should be charged to the Transport and Travelling vote of their Department (Public Health Department) in accordance with the Transport and Travelling Law instead of the Transport and Travelling vote of the Legal Department as has hitherto been the practice.

Head XII—Item 50, *Stores and Equipment for Arts and Crafts School.*

The Headmaster of the School had earmarked approximately £P.250 for the purchase of machinery which is not urgently required this year, and it has been decided to limit the expenditure to the purchase of materials actually required for the work of the current year.

Head XII—Item 53, *Sending four Pupils to the Kadoorie School.*

I understand it will only be possible to accept two pupils this year, and I have consequently reduced the provision by one-half

Head XVIII (A), Police—Item 77, *Secret Service, Desert Patrol.*

In view of urgent need for economy the Financial Adviser has recommended the reduction of this vote, at least for a time. The Officer Commanding the Arab Legion, whom I have consulted, has reluctantly agreed.

Head XVIII (B)—Item 28, *Prison Industries.*

This is an essential item of expenditure, but its limitation during the present financial difficulties of the Government is justified.

Head XIX, Miscellaneous—Item 8, *Printing and Stationery.*

Expenditure was inflated in 1931-32 by the printing of the collection of Trans-Jordan Laws in English, compiled by Mr. Seton. The original provision for 1932-33 included the estimated cost of printing a collection of Trans-Jordan Laws in Arabic (£P.250), and I recommend that this, though a very necessary service, should be postponed at least until later in the year when the Revenue position may be more favourable.

6. Enclosure " E "* shows the proposed savings on Personal Emoluments.

The majority of the posts which are to be abolished are now vacant, and in view of the need for economy the Departments concerned will be able to carry on for the time being with the reduced staffs.

The only posts mentioned in these recommendations which are occupied at the present moment are :—

Head VI.

One of the two posts under Item 3.

Head VII.

All the posts which Mr. Hooper proposes to abolish, with one exception.

* Not printed.

In Head XVIII (A), Police, a saving of £P.510 is to be made. Of this the sum of £P.180 is on account of Item 52, whilst the balance is not specified more closely than as being a saving on personal emoluments. This will obviate reducing the establishment of the Arab Legion.

7. Enclosure " F "* indicates the changes which it is proposed to make under Extraordinary Expenditure. It is unfortunate that the Government should be forced to retard its programme of work, but there appears to be no alternative.

Under Head XXV, Posts and Telegraphs Extraordinary, it is suggested that after effecting a saving of £P.300 on Item 2, Purchase of Stores for the Kerak-Ma'an Line, the balance of £P.200 should be reallocated for the reconstruction of the two telephone lines which connect the Hedjaz Railway Stations of Jeruf and Katrani with Tafileh and Kerak respectively.

The request for this reallocation is made as the result of a report by the Postmaster-General, who states that a recent inspection of these two lines has disclosed the fact that owing to the very severe storms last winter they are not in a condition to stand another winter in spite of the temporary repairs which were carried out immediately after the storms. Both lines are in need of partial reconstruction and strengthening throughout, and as stores and labour votes of the Department of Posts and Telegraphs under Recurrent Expenditure are not sufficient to meet the cost of the necessary work, I recommend that this should be treated as extraordinary expenditure and the necessary provision made as indicated above.

You will observe that the provision under Head XXVIII, Anti-Locust Measures, has been still further reduced, leaving a provision of £P.1,000 only. I do not think that there is any objection to this, as the previous provision of £P.1,900 would not have been sufficient to meet a serious invasion of locusts, and the intention is to provide a small sum to enable the Government to start operations whilst authority for the provision of an adequate sum is being sought.

8. All the proposals made in this letter and in the enclosures thereto have been accepted by the Executive Council, and I would like to mention that the Council showed every desire to comply with the wishes of His Majesty's Government in regard to the reduction of the grant-in-aid, and have once again been most helpful in the measures to reduce expenditure.

The reduction of £P.16,500 in the grant-in-aid has been made possible as follows :—

	£P.
Increase in Surplus at 31st March, 1932	400
Increase in Revenue	3,200
Reduction in Expenditure—Ordinary	9,749
Reduction in Expenditure—Extraordinary	3,330
	£P.16,679
Less increases (*vide* paragraph 5)	179
	£P.16,500

I presume Your Excellency will consider it necessary to refer these proposals for the approval of the Secretary of State, since the reduction in the grant-in-aid has been made possible, to the extent of £P.3,200, by increasing the estimate of Revenue, and the Secretary of State has said in his Confidential despatch of the 1st June that he is prepared to consider such proposals.

As soon as the Secretary of State has signified his approval of the Estimates the Legislative Council will be summoned in Extraordinary Session to pass them and at the same time the Council will be asked to pass the Sharia' Court Fees Law, on which part of the added Revenue depends.

It will be appreciated that the very early approval of the Estimates is desirable, and it is asked that that approval may be obtained telegraphically.

I have, &c.,
C. H. F. Cox,
British Resident.

His Excellency
The High Commissioner for Trans-Jordan,
Jerusalem.

* Not printed.

Enclosure " A."

Trans-Jordan Revised Estimates, 1932-33.

Summary showing the Estimated Surplus at 31st March, 1932.

	£P.	£P.
Actual surplus at 31st March, 1932		5,400
Estimated receipts, 1st April, 1932, to 31st March, 1933 :—		
Local Revenue	251,160	
Grant-in-aid Trans-Jordan Government	65,500	
Grant-in-aid Trans-Jordan Frontier Force	30,567	
		347,227
		£P.352,627
Estimated expenditure, 1st April to 31st March, 1933 :—		
Trans-Jordan Government—Ordinary	304,768	
Trans-Jordan Frontier Force—Ordinary (1/6th)	29,815	
Trans-Jordan Government—Extraordinary	13,292	
Trans-Jordan Frontier Force—Extraordinary (1/6th) ...	752	
		348,627
Estimated surplus at 31st March, 1933		£P.4,000

Enclosure " B."

Trans-Jordan Revised Estimates, 1932-33.

Revenue.

	Head of Revenue.	*Previous Estimate.*	*Revised Estimate.*
		£P.	£P.
1.	Customs and Excise	62,500	62,500
2.	Licences, Taxes, &c.	135,300	135,300
3.	Fees of Court or Offices, &c....	26,200	28,700
4.	Posts, Telegraphs and Telephones	15,240	15,240
5.	Revenue from Government Property	3,450	3,450
6.	Interest	1,090	1,090
7.	Miscellaneous	3,180	3,880
8.	Sale of State Domains	1,000	1,000
		247,960	251,160
9.	Grant-in-aid, Trans-Jordan Government	82,000	65,500
10.	Grant-in-aid, Trans-Jordan Frontier Force	30,567	30,567
	Total Revenue	£P.360,527	£P.347,227

Enclosure " C."

Trans-Jordan Revised Estimates, 1932-33.

Expenditure.

	Head of Expenditure.	*Previous Estimate.*	*Revised Estimate.*
		£P.	£P.
1.	Civil List	14,454	14,454
2.	Public Debt and Loan Charges	590	591
3.	Legislature	3,788	3,788
4.	Pensions and Gratuities	5,800	5,500
5.	Chief Minister and Interior	3,897	3,837
6.	District Administration	7,464	7,070
7.	Legal Department	15,863	15,018
8.	Sharia' Courts	3,752	3,815
9.	Ministry of Finance	15,507	14,916
10.	Customs and Excise	8,112	7,784
11.	Public Health Department...	12,877	12,135
11A.	Ma'an Quarantine	95	95
12.	Education	24,713	23,429
13.	Agriculture, Forests, and Veterinary	6,875	6,543
14.	Antiquities	2,810	2,700
15	Public Works Department	5,109	4,540
15A.	Public Works Recurrent	18,300	17,500
16.	Posts, Telegraphs and Telephones	13,345	12,952
17.	Lands Department	14,634	14,164
18.	Police and Prisons :—		
	A. Police	102,702	100,916
	B. Prisons	12,777	12,752
19.	Miscellaneous	9,393	8,958
20.	British Resident	6,622	6,562
21.	Audit Department	3,493	3,483
22.	Tribal Control Board	1,366	1,266
	Total Ordinary Expenditure, Trans-Jordan Government	314,338	304,768
23.	Trans-Jordan Frontier Force—Ordinary (1/6th) ...	29,815	29,815
	Total Ordinary Expenditure	£P.344,153	£P.334,583
	Extraordinary.		
24.	Public Works Extraordinary	8,122	6,392
25.	Posts and Telegraphs Extraordinary	1,600	1,200
26	Police and Prisons Extraordinary	2,000	1,700
27.	Anti-Locust Measures	1,900	1,000
28.	Trans-Jordan/Syrian Boundary Commission ...	3,000	3,000
	Total Extraordinary Expenditure, Trans-Jordan Government	16,622	13,292
29.	Trans-Jordan Frontier Force—Extraordinary (1/6th)	752	752
	Total Expenditure (Extraordinary)	17,374	14,044
	Total Expenditure	£P.361,527	£P.348,627

C. 97738/32 [No. 49].

No. 88.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 91.]

Downing Street, 30th July, 1932.

SIR,

WITH reference to your letter (S. 35961/01/32) of the 25th of May,* I am directed to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch† from the High Commissioner for Trans-Jordan forwarding a copy of a letter from the British Resident regarding the revised estimates of Revenue and Expenditure of the Trans-Jordan Government for the financial year 1932-33.

2. Their Lordships will observe that, excluding the Trans-Jordan Frontier Force, the Trans-Jordan Government have reduced the estimate of Expenditure to £P.318,060 (*vide* enclosure "C") and increased the estimate of Revenue to £P.251,160 (*vide* enclosure "B") leaving a deficit of £P.66,900. Deducting from this figure the sum of £P.1,400 representing the difference between the actual balance in hand on 31st March, 1932, and the estimated balance in hand on 31st March, 1933, the estimated deficit for 1932 is reduced to £P.65,500.

Whilst the whole of the reduction of £P.16,500, which Their Lordships desired should be effected, has not been made under Expenditure Heads, I am to point out that the Secretary of State, in his despatch to the High Commissioner of the 1st June‡ (a copy of which was sent to the Treasury on the 7th June§), stated that, if a portion of the sum of £P.16,500 could be found by a definite increase in revenue, he would be prepared to consider the matter. Their Lordships will observe that £P.3,200 has been so found under Revenue Heads III, Fees of Court, &c. (£P.2,500) and VII, Miscellaneous (£P.700), and, whilst the latter figure is a little doubtful, it will be more than counter-balanced by an increase of £P.1,000 which, it is now understood, will arise in the Trans-Jordan share of the profits of the Palestine Currency Board.

On the whole, therefore, it is recommended that the revised estimates be now approved and, having regard to paragraph 5 of the High Commissioner's despatch, I am to ask that Their Lordships may be moved to give an early reply to this letter.

I am, &c.,
J. A. CALDER.

C. 97738/32 [No. 54].

No. 89.

TRANS-JORDAN.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE

(Received 8th August, 1932.)

(Confidential "A.")

High Commissioner's Office, Jerusalem, 30th July, 1932.

SIR,

I HAVE the honour to refer to my despatch No. 99 of the 26th May, 1932,‖ forwarding a copy of a report by Messrs. A. S. and A. L. Kirkbride on the crops and economic state of Trans-Jordan, and to transmit herewith copies of the following correspondence :—

(1) Letter No. 175/9/Sec. of the 2nd June, 1932, from the British Resident, Trans-Jordan.
(2) Letter No. T/58/32 of the 30th June, 1932, to the British Resident, Trans-Jordan.
(3) Letter No. 175/9/Sec. of the 12th July, 1932, from the British Resident, Trans-Jordan.

2. The British Resident has now asked that a request be made to His Majesty's Government for a further grant-in-aid of £P.6,000 to be expended on the re-establishment of destitute Bedouin. It is proposed that the money should be expended either wholly on the purchase of sheep and camels, or that £P.4,000 should be expended on the purchase of stock and £P.2,000 on relief work which would take the form of the repair of the Ma'an-Aqaba road by Bedouin labour.

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* No. 83. † No. 87. ‡ No. 85. § C. 97738/32 [No. 42] : not printed.
‖ C. 97762/32 [No. 5] : not printed.

3. I am unable to support the proposal for the purchase of stock for there is no guarantee that such stock will not again be lost in the near future. On the other hand, I strongly support the proposal that £P.2,000 should be provided for relief work on the Ma'an-Aqaba road.

4. Apart from the need for doing something to improve the situation of the Bedouin in the southern area of the necessity of which I have no doubt whatsoever, I think it is important to improve the Ma'an-Aqaba road. The recent events in connexion with the revolt of Ibn Rifada have shown the need for ensuring good communication between Ma'an and Aqaba, and the necessity for keeping this area well patrolled.

5. As therefore the expenditure of £P.2,000 will not only assist the Bedouin but also provide the means for carrying out a work of military importance, I strongly endorse the proposal that £P.2,000 should be provided for this purpose.

6. I shall accordingly be grateful if you will authorize the expenditure of £P.2,000 and the increase of the grant-in-aid by a like amount, for it is impossible at the present time to find equivalent savings on the depleted Trans-Jordan estimates.

7. The sum of £P.2,000 will not be sufficient to restore the prosperity of the Bedouin, and I am asking Colonel Cox to let me know whether he would recommend any further relief works, and I shall address you again with regard to the provision of additional funds if I find it necessary.

I have, &c.,
ARTHUR WAUCHOPE,
High Commissioner for Trans-Jordan.

Enclosure 1 in No. 89.

(No. 175/9/Sec.)
(Confidential.)

2nd June, 1932.

YOUR EXCELLENCY,

IN continuation of my 175/9/Sec. of the 20th May, 1932, forwarding a report written by the Messrs. Kirkbride on the economic state of Trans-Jordan and in answer to a question as to how the £P.6,000 asked for to re-establish the entirely destitute Bedouin could be used.

The number of entirely destitute families is believed to be about 200. The £P.6,000 asked for would thus provide some £P.30 per family, and this would be spent approximately as follows :—

	£P.
2 camels, which, beside their produce, would make the camp mobile	16
20 goats	14
	£P.30

I have, &c.,
C. H. F. Cox,
British Resident.

His Excellency
The High Commissioner for Trans-Jordan,
Jerusalem.

Enclosure 2 in No. 89.

(No. T/58/32.)

30th June, 1932.

SIR,

I HAVE the honour to refer to your letter No. 175/9/Sec. of the 2nd June, on the subject of obtaining a grant-in-aid of £P.6,000 for the purpose of re-establishing destitute Bedouin and to say that I do not think any purpose would be served by making this request to His Majesty's Government, in view of the fact that the Secretary of State has recently required a reduction of £P.16,500 to be made in the grant of £P.82,000 already approved for the current financial year.

2. Moreover, apart altogether from the need of reducing the grant-in-aid, I am by no means convinced that it would be right to expend £P.6,000 on this object My present impression is that the destitute should be assisted by wages for labour, and in the case of fellaheen who really require seed for sowing crops, by grants of seed.

3. I should be glad if you would reconsider the situation in the light of the foregoing remarks. You will no doubt take into consideration to what extent the labour of Bedouin can be employed on the pipeline, and it would be interesting to have a special report on the extent to which Trans-Jordanian labour is being and can be employed on that work.

I have, &c.,
M. A. YOUNG
(for High Commissioner for Trans-Jordan).

The British Resident,
Amman.

Enclosure 3 in No. 89.

(No. 175/9/Sec.)
(Confidential.)

12th July, 1932.

YOUR EXCELLENCY,

I HAVE the honour to refer to your letter No. T./58/32 of the 30th of June, 1932, on the subject of obtaining a grant-in-aid of £P.6,000 for the purpose of re-establishing destitute Bedouin.

2. Your Excellency states that your present impression is that the destitute Bedouin should be assisted by wages for labour (and hints that these wages should be provided by the 'Iraq Petroleum Company), and in the case of fellaheen who really require seed for sowing crops, by grants of grain.

3. In addition to the 200 destitute Bedouin families at present under discussion there is, as I have already reported, acute distress in the following areas, namely :—

(*a*) The Nahiyeh of Araq in Kerak Qadha.
(*b*) The village of Dana.
(*c*) The village of Aime.
(*d*) Shobek.
(*e*) In the Sherah north of Basta.

I have requested the Government to furnish me with detailed information of the amount of money required in these areas for the distribution of seed grants and for expenditure in relief works, but have not as yet been able to obtain these details. The Government, however, has stated categorically that the security which the people concerned can offer is so poor that no loans can be made to them by the Agricultural Bank.

It is estimated that the number of families involved in the areas is in the neighbourhood of 700.

4. At the present moment the labour employed by the 'Iraq Petroleum Company is as follows :—

From Belqa	130*	
From Ma'an	73	
From Ajloun	62	
From Kerak	16	
		281
Druze and Bedouin at Stations IV and V in the Desert...		176
Total		457

5. Some days ago the official of the 'Iraq Petroleum Company, in charge of Labour Recruiting, was requested by me to recruit as much labour as possible from the distressed areas mentioned in paragraph 3 above, but explains that difficulties have arisen because he is precluded from incurring any transport expenses for bringing the labourers from this distance. He is, however, making proposals for the solution of these difficulties for my consideration.

He estimates that after some months, when work is at its height, an average maximum of 1,000 labourers may be employed.

6. Even if the 'Iraq Petroleum Company could take all their labour from the areas mentioned in paragraph 3, and this they cannot safely do, the necessary funds to enable the 700 families to live and acquire seed for sowing could hardly be earned at the rate of £P.3 per month before ploughing commences. Hence, even if the trans-

* A number of those shown as from the Belqa are actually from Kerak, Tafileh, and Ma'an, but have been certified as living in Amman for 6 months or more.

port difficulties can be satisfactorily overcome and all possible labour from the south be employed there must still remain a number of persons in the areas mentioned in paragraph 3 for whom Government relief work must be provided and to whom seed grants must be made.

7. The 200 destitute Bedouin families, for whom the grant of £P.6,000 is asked, live in still more inaccessible areas than those mentioned in paragraph 3 and are, moreover, so enfeebled that they could not pass the medical examination required before acceptance as labourers by the 'Iraq Petroleum Company.

Inevitably, then they must either be cared for by the Government or be left to starve.

Your Excellency has said that the fellaheen, who really require seed for sowing crops, should be assisted by grants of seed. The Bedouin does not cultivate the soil but lives as a shepherd on the produce of his flocks and herds and, logically, if the penniless fellah is to be assisted by a grant of seed the penniless Bedu should be assisted by a grant of stock.

If the total sum of £P.6,000 cannot all be provided as a grant, then I ask that £P 4,000 be so provided and the balance of £P.2,000 be made available for maintaining the Ma'an-Aqaba road by the Bedu concerned.

Your Excellency says that no purpose would be served by asking His Majesty's Government to provide this sum of £P.6,000, since they have just demanded a reduction of the grant-in-aid by £P.16,500. This reduction in the grant-in-aid reduces the sum payable to £P.65,500, which, after deducting the sum provided in the current Estimates for the Survey and Delimitation of the Northern Frontier, reduces the grant to approximately the sum provided before the Desert Patrol was formed or the work of land demarcation, survey, and valuation was in full swing. The former of these services has reduced the essential expenditure on the Royal Air Force and the Trans-Jordan Frontier Force by many thousand pounds, whilst the expenditure on the latter has enabled work to be done which is about to produce a very productive return in revenue.

The present destitute state of the Bedu concerned, in part at any rate, is due to the failure of His Majesty's Government to protect these Bedu from the depredations of the subjects of neighbouring territories, and I submit that it is a definite obligation on His Majesty's Government to provide the funds to prevent these people from starving.

8. In Trans-Jordan no general reductions in or remissions of taxation (except in respect of the years 1921, 1922, and 1923, when conditions were chaotic) have been made, but in Palestine the tithe was first reduced from 12½ per cent. to 10 per cent., later 50 per cent. of the commuted tithe was remitted in 1930, and again in 1931, whilst in 1932 the commuted tithe has been further reduced from 10 per cent. to 7½ per cent., and orders for the liberal remission up to 25 per cent. of the reduced amount have been given!

Reductions in direct taxation in Palestine can be and often are met by increasing the revenue from Customs. This method cannot be resorted to in Trans-Jordan, where the few categories of goods, upon which the Government may levy duties, are already taxed up to the limit of safety.

If Your Excellency deems it useless to ask His Majesty's Government to assist these destitute Bedu by the grant of £P.6,000, and I would remind Your Excellency that a further demand for the assistance of the fellaheen mentioned in paragraph 3 will be made when particulars have been collected, then I would recall to Your Excellency the services rendered to Palestine by Trans-Jordan, which lies between her and the tribesmen to the East, and ask that the grant be made by the Palestine Government and be shown as an addition to the Customs share of £P.25,500 which has hitherto been payable.

I have, &c.,
C. H. F. Cox,
British Resident

His Excellency
The High Commissioner for Trans-Jordan,
Jerusalem.

C. 97738/32 [No. 55].

No. 90.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 92.]

Downing Street, 20th August, 1932.

SIR,

WITH reference to paragraph 2 of the despatch* from the High Commissioner for Trans-Jordan, a copy of which was forwarded to you under cover of Colonial Office letter of the 15th July, 1932,† I am directed to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a further despatch‡ from the High Commissioner enclosing correspondence with the British Resident regarding measures to be taken for the relief of destitute Bedouin in Trans-Jordan.

The High Commissioner proposes to expend the sum of £P.2,000 on relief work in the form of the repair of the Ma'an-Aqaba road by Bedouin labour, and requests authorization for the expenditure of this sum and the increase of the grant-in-aid by a like amount.

I am to observe that a sum of £82,000 was provided under Sub-head I. 3, of the Vote for Colonial and Middle Eastern Services as a grant-in-aid for the expenses of the Trans-Jordan Administration, but that, at the request of Their Lordships, the Trans-Jordan Government have effected a reduction of £16,500 on that figure, thus reducing the amount of the grant-in-aid to £65,500. The High Commissioner states that it is impossible at the present time to find equivalent savings to meet this additional expenditure and it is considered that it would be unreasonable to expect him to do so. I am accordingly to express the hope that in the circumstances, Their Lordships will be prepared to sanction an increase of £2,000 in the grant-in-aid which would then amount to £67,500 to be utilized in repairing the Ma'an-Aqaba road. I am to request the favour of an early reply.

I am, &c.,
O. G. R. WILLIAMS.

C. 97738/32 [No. 57].

No. 91.

TREASURY to COLONIAL OFFICE.

[*Answered by No.* 102.]

(S. 35961/01/32.)

Treasury Chambers, 25th August, 1932

SIR,

THE Lords Commissioners of His Majesty's Treasury have had before Them Mr. Calder's letter of the 30th July, 1932,§ together with a copy of a despatch from the High Commissioner for Trans-Jordan forwarding a copy of a letter from the British Resident regarding the revised estimates of Revenue and Expenditure of the Trans-Jordan Government for the financial year 1932-33.

My Lords note that the revised Estimates disclose a deficit of £P.66,900, and that after deduction of the sum of £P.1,400 representing the difference between the actual balance in hand on the 31st March last and the balance estimated to be in hand on the 31st March, 1933, the estimated deficit for the current year is reduced to the sum of £P.65,500.

In reply I am directed to request you to inform the Secretary of State that My Lords appreciate the efforts made by the Trans-Jordan Government towards further economies, and They approve generally the Territory's Estimates as last revised.

I am to add, however, that if the intake of Revenue should show signs of falling materially below estimate, the programme of expenditure should at once be reconsidered with a view to ensuring the actual reduction in the amount of the grant-in-aid at present contemplated.

I am, &c.,
N. F. WARREN FISHER.

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* C. 97762/32 [No. 5] : not printed. † C. 97762/32 [No. 6] : not printed. ‡ No. 89. § No. 88.

C. 97738/32 [No. 59].

No. 92.

TREASURY to COLONIAL OFFICE.

[*Answered by No.* 94.]

(S. 37503.)

Treasury Chambers, 29th August, 1932.

SIR,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Williams's letter of the 20th instant,* and the accompanying copy of a despatch from the High Commissioner regarding measures for the relief of destitute Bedouin in Trans-Jordan.

My Lords note that the High Commissioner proposes to expend the sum of £P.2,000 on relief work in the form of the repair by Bedouin labour on the Ma'an-Aqaba road, a work which is, he states, of military importance.

In reply I am to say that, in view of the representations made by the High Commissioner, My Lords give Their sanction for the expenditure of a sum not exceeding £P.2,000 on repairing this road. They must request, however, that every effort should be made to meet this expenditure from savings on other services but, if this should prove to be impossible, They will be prepared to agree to an increase in the grant-in-aid to be issued during the current financial year subject to a maximum grant of £67,500.

I am, however, to express Their Lordships' concern at the effect on Trans-Jordan revenues of the partial failure of crops and at the possibility, referred to in the High Commissioner's despatch, that further relief measures may be necessary. The prospect appears to My Lords to require that the Trans-Jordan Government should consider still further measures for reducing expenditure and increasing revenue, such as would suffice to preserve the budgetary position.

I am, &c.,
N. F. WARREN FISHER.

C. 97738/32 [No. 61.]

No. 93.

TRANS-JORDAN.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 5th September, 1932.)

(Confidential "A.")

High Commissioner's Office,
Jerusalem, 27th August, 1932.

SIR,

I HAVE the honour to refer to my despatch Confidential A of the 30th July,† regarding the crops and the general economic state of Trans-Jordan. In paragraph 6 of that despatch I asked for authority to spend £P.2,000 on relief work, and in the final paragraph I informed you that I should address you again with regard to the provision of additional funds, if on receipt of Colonel Cox's recommendations I found it necessary.

2. I now forward to you a copy of letter No. 1759/Sec. of the 22nd August from Colonel Cox in which he recommends that for the execution of the relief work specified therein another £P.4,500 should be provided, in addition to the £P.2,000 for which I have already asked.

Such an expenditure will go far to save both Bedouin and fellah from the results of their present extreme poverty due to successive dry seasons, and will also prevent increase of crime consequent on this extreme poverty. The construction of the roads proposed will also help to maintain law and order in this district, when these roads are much needed.

3. I therefore strongly endorse Colonel Cox's recommendations, and shall be grateful if the necessary increase to the grant-in-aid may be approved if possible by telegraph, so that the fellah may be able to buy seed before the ploughing season.

I have, &c.,
ARTHUR WAUCHOPE,
High Commissioner for Trans-Jordan.

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* No. 90. † No. 89.

Enclosure in No. 93.

(No. 175/9/Sec.)

Amman, 22nd August, 1932.

YOUR EXCELLENCY,

I HAVE the honour to refer to your Confidential despatch No. T/58/32 of the 30th July, 1932, to the Secretary of State on the subject of relief measures for the destitute Bedouin.

In that despatch Your Excellency recommended that the Secretary of State should authorize the expenditure of £P.2,000 on relief work and the increase of the grant-in-aid by a like amount, and informed the Secretary of State that in view of the fact that this sum would not be sufficient to restore the prosperity of these people you were instructing me to inform you whether I recommended further relief works, and that you would address him again, if necessary, with regard to the provision of additional funds.

In a conversation with Your Excellency some weeks ago you informed me that I should, if possible, make the whole of my demand for assistance at the same time.

I much regret that this has not been done, but it has been found most difficult to extract the necessary information from the Administrative officers of the Government.

In the last paragraph of my letter No. 175/9/Sec. of the 12th July, 1932, I reminded Your Excellency that, in addition to the demand made in that letter, a further demand for the assistance of the fellaheen would be made as soon as particulars had been collected.

2. I am now in a position to make the following comprehensive recommendation:—

Since Your Excellency is of opinion that no grant of stock may be made to the Bedouin it is impossible to expend more than £P.3,000 on relief work for the 200 destitute families during the current financial year. This at a daily rate of pay of 100 mils should enable each family to earn some £P.15. I have consulted Colonel Peake, Group Captain Fowler, and the Director of Public Works of the Trans-Jordan Government, and it is agreed that this £P.3,000 can most usefully be spent as follows:—

	£P.	£P.
(1) Ma'an-Akaba Road—		
Section Gueira-Akaba	400	
Section Gueira-Ras el Nagab	1,000	
		1,400
(2) Very bad section of road from Gueria-Mudawara at Deecy		800
(3) Road leading from (2) to Rum Post (where a fort will eventually be built)		800
		£P.3,000

The assistant British Resident and the Financial Adviser, after their tour of the country which was completed early in May, reported that the arrangement of relief works or the grant of seed would be necessary in the following places:—

(*a*) The Nahiyeh of Araq in Kerak Qadha.
(*b*) The village of Dana.
(*c*) The village of Aime.
(*d*) Shobek.
(*e*) In the Shera North of Basta.

The Government consider, and I agree, that it is preferable to assist the people of these places by giving them relief work rather than by the issue of grants of seed.

3. The following shows the details of the work recommended after consultation with the Chief Secretary and the Director of Public Works:—

	£P.
(1) Repair Ma'an-Aqaba Road, Section Ras el Nagab-Ma'an. 300 people of the Shera to be employed	800
(2) Complete Shobek-Tafileh Road. 240 people of Shobek to be employed	800
(3) Open new road from Tafileh to Wadi Hasa. 240 people of Dana and Aime to be employed	900
(4) Complete Kerak-Dead Sea Road. 300 people of Nahiyeh of Araq to be employed	900
	£P.3,400

If these people are paid at the rate of 100 mils *per diem* they will be enabled to earn some £P.3 each after working 30 days. This is a very small sum, but the 'Iraq Petroleum Company have been most helpful in giving employment to people from these areas and, with the additional wages thus earned, it is hoped that they may be able to carry on.

The total cost of these works is thus as follows:—

	£P.
Bedouin	3,000
Fellaheen	3,400
Add for tools and supervision ...	1,100
Total ...	£P.7,500

4. The only item of expenditure which I recommend should be diverted for this relief work is the £P.1,000 provided for combating locusts. It is therefore requested that Your Excellency should recommend that this reappropriation should be approved and that the Secretary of State should provide an addition to the grant-in-aid of £P.6,500, of which Your Excellency has already asked for £P.2,000.

5. I need hardly urge that the work should be begun as early as possible, so that cultivators may be placed in a position to buy seed before the ploughing season arrives.

I have, &c.,
C. H. F. Cox,
British Resident.

His Excellency
The High Commissioner for Trans-Jordan,
Jerusalem.

C. 97738/32 [No. 62].

No. 94.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 95.]

Downing Street, 8th September, 1932.

SIR,

WITH reference to your letter S. 37503 of the 29th of August,* I am directed to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch† from the High Commissioner for Trans-Jordan forwarding a copy of a letter from the British Resident regarding further relief measures for destitute Bedouin in Trans-Jordan.

2. Their Lordships will observe that the High Commissioner seeks approval for the expenditure of a further sum of £P.5,500 on relief works, of which amount £P.4,500 is to be provided by increasing the grant-in-aid, and £P.1,000 by diverting the sum of £P.1,000 provided for anti-locust measures. It is clearly important that cultivators in the districts affected should be enabled to purchase seed before the ploughing season and the moderate schemes of relief work recommended by Colonel Cox appear to be greatly preferable to the issue of grants of seed. In the circumstances I am to express the hope that Their Lordships will accord their sanction to Sir A. Wauchope's proposals.

2. The Trans-Jordan Government will be requested to make every endeavour to meet the expenditure of £P.6,500 (*i.e.*, £P.4,500, plus the sum of £P.2,000 already approved) from the savings on other Services, and it is proposed to observe that it is assumed that the extension of the road to Rum is considered desirable independently of the question whether a fort, for which provision was made in the original draft Estimates but was deleted owing to the reduction in the grant-in-aid, will eventually be constructed.

3. I am to request the favour of a very early reply to this letter.

I am, &c.,
O. G. R. WILLIAMS.

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* No. 92.

† No. 93.

C. 97738/32 [No. 65.]

No. 95.

TREASURY to COLONIAL OFFICE.

(S. 37503.)

Treasury Chambers, 12th September, 1932.

SIR,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Williams's letter of the 8th instant,* and the accompanying copy of a despatch from the High Commissioner for Trans-Jordan forwarding a copy of a letter from the British Resident regarding further relief measures for destitute Bedouin in Trans-Jordan.

My Lords note that the High Commissioner seeks approval for the expenditure of a further sum of £P.5,500 on relief works, of which amount £P.4,500 is to be provided by increasing the grant-in-aid, and £P.1,000 by diverting the sum of £P.1,000 provided for anti-locust measures.

In reply I am to state that, in the circumstances described by the High Commissioner, My Lords are prepared to sanction the programme of relief measures proposed on the understanding that every endeavour will be made to meet the expenditure of £P.6,500 (*i.e.*, £P.4,500 plus the sum of £P.2,000 already approved by Treasury letter of the 29th ultimo†) from savings on other services. In this connexion I am to refer to the final paragraph of the Treasury letter above mentioned, and to suggest that the High Commissioner should be asked to submit proposals for preserving the budgetary position.

As regards the details of the programme of relief works, My Lords agree that before any expenditure is incurred on the extension of the road to Rum, further consideration should be given to the necessity of this road at the present time in view of the fact that the provision for building a fort at Rum Post has been deleted from the Estimates.

I am, &c.,
E. J. STROHMENGER.

C. 97738/32 [No. 63].

No. 96.

TRANS-JORDAN.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by No.* 98.]

(Confidential.)

Downing Street, 14th September, 1932.

SIR,

I HAVE the honour to confirm my telegram No. 95 of the 10th August,‡ in which I informed you that I approve generally the estimates of Expenditure and Revenue for Trans-Jordan for the current year as revised in your Confidential despatch of the 14th July.§

2. In conveying their approval of these estimates the Lords Commissioners of the Treasury expressed their appreciation of the efforts made by the Trans-Jordan Government towards further economies, but they asked that, if the intake of revenue should show signs of falling materially below the estimate, the programme of expenditure shall at once be considered with a view to ensuring the actual reduction at present contemplated in the amount of the grant-in-aid.

3. I note that the estimate of revenue under Head III, Item 4, Pension Contributions, has been increased by the sum of £2,000 on account of pension contributions from the Arab Legion, and I shall be glad to learn the circumstances in which the Trans-Jordan Government commenced to collect these contributions.

4. I take the opportunity to refer to my telegram No. 108 of the 1st September,‖ in which I approved the expenditure of the sum of £2,000 on relief work in the form of the repair of the Ma'an-Aqaba road, and to transmit to you, for your consideration, the accompanying copy of a letter from the Treasury† on this subject.

I am, &c.
(for the Secretary of State),
R. W. HAMILTON.

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* No. 94. † No. 92. ‡ C. 97738/32 [No. 53] : not printed. § No. 87.
‖ C. 97738/32 [No. 60] : not printed.

C. 97738/32 [No. 71].

No. 97.

TRANS-JORDAN.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 3rd October, 1932.)

(Confidential.)

High Commissioner's Office,
Jerusalem, 24th September, 1932.

SIR,

I HAVE the honour to refer to the correspondence ending with your telegram No. 95 of the 10th September,* regarding the Estimates of the Trans-Jordan Administration for the year 1932-33, and to enclose herewith a copy of a letter No. 3670 of the 19th September from the British Resident from which you will observe that during their recent session the Legislative Council made certain decisions which may have the effect of reducing by some £P.1,200 the surplus of £P.4,000, which it is anticipated will be realized on the 31st March, 1933. (*Vide* enclosure A to Colonel Cox's letter which accompanied my Confidential despatch of the 14th July.†)

I shall address you again as soon as I receive the detailed proposals referred to in paragraph 3 of Colonel Cox's letter.

I have, &c.,
ARTHUR WAUCHOPE,
High Commissioner for Trans-Jordan.

Enclosure in No. 97.

(No. 3670.)

Amman, 19th September, 1932.

YOUR EXCELLENCY,

I HAVE the honour to inform you that on Saturday the Legislative Council passed the 1932-33 Estimates in the form agreed to by the Secretary of State, except that they would not agree to the abolition of public prosecutors and their replacement by police, neither would they agree to the abolition of the Civil Magistrate at Tafileh.

This means an expenditure above the last estimate submitted to Your Excellency of £P.685.

2. Your Excellency is already aware that the Council have refused to pass the Sharia' Court Fees Law, and that that means a deficit in estimated Revenue of £P.500.

3. I will submit detailed proposals in connexion with these changes during the course of the next few days.

4. The Council on last Saturday also passed the Dead Sea Tolls Law and has now been prorogued, since the programme for which it assembled in Extraordinary Session has been completed.

I have, &c.,
C. H. F. Cox,
British Resident.

His Excellency
The High Commissioner for Trans-Jordan.
Jerusalem.

C. 97738/32 [No. 78].

No. 98.

TRANS-JORDAN.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 7th November, 1932.)

[*Answered by No.* 99.]

(No. 195.)

High Commissioner's Office,
Jerusalem, 29th October, 1932.

SIR,

I HAVE the honour to refer to your Confidential despatch of the 14th September,‡ and your telegram No. 117 of the 16th September, 1932,§ regarding expenditure on the execution of relief works in Trans-Jordan, and to inform you that the Estimates

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* C. 97738/32 [No. 53] : not printed. † No. 87. ‡ No. 96.
§ C. 97738/32 [No. 66] : not printed.

of the Trans-Jordan Administration for the current year have been carefully examined in the light of actual receipts and expenditure to date, with a view to ascertaining whether savings can be effected from the provision for other services to offset the expenditure.

2. It appears that the revenue is likely to fall about £P.12,500 below the estimate, due principally to the facts that it will be necessary to remit taxes to an approximate total of £P.8,000 in the distressed areas this year, and that heavy mortality among livestock last winter has resulted in a decrease of £P.4,000 in receipts from Animal Tax.

Against this may be set anticipated receipts above the estimate under certain sub-heads, leaving an apparent deficit of £P.8,800.

3. The British Resident has considered in detail the possibility of reducing expenditure to meet the anticipated deficit, and he now reports that by exercising stringent economy throughout the Trans-Jordan Administration it will be possible to find savings totalling £P.8,800. The £P.1,000 provided for anti-locust measures, which it was proposed in the enclosure to the High Commissioner's despatch Confidential A of the 27th August, 1932,* to reallocate to the execution of relief works, is included among these proposed savings.

4. I agree with the British Resident that there is no prospect of making further savings, and I shall be grateful if you will approve a grant of £P.4,500, in addition to the £P.2,000 authorised in your telegram No. 108 of the 1st September,† to meet the cost of the further relief works referred to in the second paragraph of the High Commissioner's despatch. As the £P.1,000 which it was previously proposed to reallocate from the provision for anti-locust measures will not now be available it is intended to reduce the work allotted to Beduin so that the total cost of the relief works will be £P.6,500.

5. With regard to the final sentence of your telegram No. 117 I consider that the extension of the road to Rum is desirable, independently of the question whether or not a Fort will eventually be constructed there.

6. I shall address you separately on the subjects of remission of taxes and of the detailed forecast of revenue and expenditure up to the 31st March, 1933.

7. I shall be glad if I may receive a telegraphic reply to this despatch.

I have, &c.,
M. A. YOUNG,
Acting High Commissioner for Trans-Jordan.

C. 97738/32 [No. 79].

No. 99.

TRANS-JORDAN.

THE SECRETARY OF STATE to THE ACTING HIGH COMMISSIONER.

(Sent 3.30 p.m., 10th November, 1932.)

TELEGRAM.

No. 152. YOUR despatch No. 195.‡ I approve grant of £P.4,500, making total of £P.6,500 in all for relief works.—CUNLIFFE-LISTER.

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* No. 93. † C. 97738/32 [No. 60] : not printed. ‡ No. 98.

C. 97738/32 [No. 83].

No. 100.

TRANS-JORDAN.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 28th November, 1932.)

[*Answered by No.* 104.]

(Confidential.)

SIR, High Commissioner's Office, Jerusalem, 17th November, 1932.

I HAVE the honour to refer to my Confidential despatch of the 24th September, 1932,* regarding the Estimates of the Trans-Jordan Administration for the financial year 1932-33, and to enclose herewith copies of the Estimates as finally approved by the Legislative Council, together with a copy of a memorandum submitted by the British Resident in explanation of the differences between these Estimates and those approved by your telegram No. 95 of the 10th August.†

2. It will be seen that the effect of the changes introduced by the Legislative Council is to reduce by £P.1,073 the surplus which it was anticipated would be realized on the 31st March, 1933. The British Resident is continuing to give this matter his consideration and anticipates that it will be possible to effect further savings so as to ensure that the full working balance is maintained.

I have, &c.,
M. A. YOUNG,
Acting High Commissioner for Trans-Jordan.

Enclosure 1 in No. 100.

REVISED ESTIMATE OF REVENUE 1932-33 OF THE TRANS-JORDAN GOVERNMENT AS APPROVED BY THE LEGISLATIVE COUNCIL.

	Head of Revenue.	*Estimate as approved by the Legislative Council.*
		£P.
1	Customs and Excise	62,500
2.	Licences and Taxes	135,300
3.	Fees of Court or Office	28,200
4.	Posts, Telegraphs, and Telephones	15,240
5.	Revenue from Government Property	3,450
6.	Interest	1,090
7	Miscellaneous Revenue	3,880
8.	Sale of State Domains	1,000
	Total Local Revenue	£P.250,660
9.	Grant-in-Aid Trans-Jordan Government	65,500
10.	Grant-in-Aid Trans-Jordan Frontier Force	30,567
	Total Grant-in-Aid	96,067
	Total Revenue	£P.346,727

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* No. 97. † C. 97738/32 [No. 53] : not printed.

Enclosure 2 in No. 100.

REVISED ESTIMATE OF EXPENDITURE 1932-33 OF THE TRANS-JORDAN GOVERNMENT AS APPROVED BY THE LEGISLATIVE COUNCIL.

	Head of Expenditure.	*Estimate as approved by the Legislative Council.*
		£P.
1.	Civil List	14,454
2.	Public Debt and Loan Charges	591
3.	Legislature	3,788
4.	Pensions and Gratuities	5,500
5	Chief Minister	3,837
6.	District Administration	7,070
7.	Ministry of Justice	15,817
8.	Sharia' Courts	3,815
9.	Ministry of Finance	14,916
10.	Customs and Excise	7,732
11.	Public Health Department	12,135
11A.	Ma'an Quarantine	95
12.	Education Department	23,429
13	Agricultural Department	6,543
14.	Antiquities Department	2,700
15.	Public Works Department	4,540
15A.	Public Works Recurrent	17,500
16.	Posts, Telegraphs, and Telephones	12,952
17.	Lands Department	14,140
18.	Police and Prisons Department—	
	(*a*) Police	100,916
	(*b*) Prisons	12,752
19.	Miscellaneous	8,958
20.	British Resident	6,562
21.	Audit Department	3,483
22.	Tribal Control Board	1,266
	Total Ordinary Expenditure	305,491
23.	Trans-Jordan Frontier Force Ordinary Expenditure (1/6 of)	29,815
	Total Ordinary Expenditure	£P.335,306
	Extraordinary.	
24.	Public Works Extraordinary	6,242
25.	Posts and Telegraphs Extraordinary	1,200
26.	Police and Prisons Extraordinary	1,700
28.	Anti-locust Measures	1,000
29.	Trans-Jordan—Syrian Boundary Commission	3,000
	Total Expenditure Extraordinary, Trans-Jordan Government	13,142
27.	Trans-Jordan Frontier Force Extraordinary (1/6 of)	752
	Total Expenditure Extraordinary	13,894
	Total Expenditure	£P.349,200

Enclosure 3 in No. 100.

MEMORANDUM.

REVENUE.

Head III.—Fees of Court or Office.

Item 2—Sharia' Court Fees.—This item has been reduced by £P.500 owing to the refusal of the Legislative Council to pass the Bill providing for revision of Sharia' Court Fees to which reference was made in paragraph 2 of my letter No. 3670 of 28th June, 1932.

I have pointed out to the Chief Minister that it is most regrettable that the Legislative Council should have refused to pass this Bill and suggested that it should again be laid before the Council in the forthcoming Assembly.

EXPENDITURE.

Head VII.—Ministry of Justice.

The increase of £P.799 has been inserted as a result of the Legislative Council not approving the scheme to replace public prosecutors by trained policemen and to abolish the Court at Tafileh, on which the anticipated saving of £P.835 depended. The difference between these two figures represents the provision inserted under Item 18 (1 clerk at £P6—½—8) from 1st October, 1932, which has been cancelled.

Head X.—Customs and Excise.

Item 4 (*a*).—The sum of £P.5 was inserted to repair the omission to provide increment for 10 months for the post shown under this item.

Items 10 and 11.—The provision for the additional post inserted under Item 11, for the tobacco factory officer specially approved in 1931-32, has been deleted as it was found to have been already included in Item 10.

Head XVII.—Lands Department.

Item 3.—Chief Clerk and Computor.

The provision in the Estimates sanctioned by the Secretary of State was in excess of the present emoluments of the holder of this post.

Head XXIV.—Public Works Extraordinary.

Item 1—(Repairs to Kerak Governorate); Item 10 (Additions and improvements to the Customs Post at Jisr Majamie); and Item 12 (Repairs to Tafileh School) were, at my instance, reduced by £P.10, £P.40, and £P.100, respectively, in order to cover some of the deficit arising from the refusal of the Legislative Council to sanction the full amount of the saving of £P.835 in Personal Emoluments stipulated under Head VII (Legal Department).

C. 97738/32 [No. 81].

No. 101.

COLONIAL OFFICE to TREASURY.

SIR,

Downing Street, 1st December, 1932.

WITH reference to the semi-official letter from this Department of the 26th of September,* regarding expenditure on the execution of relief works in Trans-Jordan I am directed by Secretary Sir Philip Cunliffe-Lister to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch† from the High Commissioner for Trans-Jordan setting forth the result of an examination of the Trans-Jordan Estimates for the current year in the light of actual receipts and expenditure to date, with a view to ascertaining whether savings can be effected from the provision for other services to offset the expenditure on relief works.

2. Their Lordships will observe that it is anticipated that, by the exercise of stringent economy throughout the Trans-Jordan Administration, a saving of £P.8,800 can be found to meet the anticipated deficit in revenue, and that there is no prospect of making further savings to give effect to the programme of relief.

3. In view of the further economies effected Sir Philip Cunliffe-Lister approved the grant of £P.4,500 requested in paragraph 4 of the Acting High Commissioner's despatch, making a total of £P.6,500 in all granted in respect of relief works. A copy of the telegram‡ approving the grant is enclosed herewith.

* C. 97738/32 [No. 68] : not printed. † No. 98. ‡ No. 99.

4. The position as affecting the Grant-in-Aid is now:—

	£
Original Grant-in-Aid	82,000
Less saving shown on revised estimates	16,500
	65,500
Add for relief works	6,500
Total Grant-in-Aid required	£72,000

To this figure must be added the sum of £875 in respect of Trans-Jordan's share of the cost of delimiting the Trans-Jordan-'Iraq frontier which, as Their Lordships are aware, it has now been decided should be paid during the current financial year.

I am to add that the amount of the final instalment out of the Grant-in-Aid to be paid to the Trans-Jordan Administration this year will be considered in conjunction with the Treasury in the light of the financial position of the territory in February last.

I am, &c.,
O. G. R. WILLIAMS.

C. 97738/32 [No. 85].

No. 102.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 103.]

SIR, Downing Street, 20th December, 1932.

WITH reference to your letter No. S. 35961/01/32 of the 25th August,* I am directed by Secretary Sir Philip Cunliffe-Lister to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch† from the Acting High Commissioner for Trans-Jordan forwarding a copy of the Estimates of the Trans-Jordan Administration for the financial year 1932-33 as finally approved by the Legislative Council, together with a copy of a memorandum submitted by the British Resident in explanation of the differences between these Estimates and those approved by Their Lordships in August last.

2. I am to invite reference to paragraph 3 of the semi-official letter from this Department to Mr. Grieve of the 1st of December,‡ and to state that, subject to Their Lordships' concurrence, Sir Philip Cunliffe-Lister proposes to convey his approval of the Estimates for 1932-33 as finally approved by the Legislative Council, but at the same time to inform the High Commissioner that he has learned with surprise that the Legislative Council have seen fit to effect changes which will reduce by £P.1,073 the working balance of £P.4,000 which it was anticipated would be available at the 31st March, 1933, and that he hopes that the further savings anticipated by the British Resident will materialize in order that this normal working balance may be preserved.

I am, &c.,
O. G. R. WILLIAMS.

C. 97738/32 [No. 87].

No. 103.

TREASURY to COLONIAL OFFICE.

(S. 35961/01/32.)

SIR, Treasury Chambers, 9th January, 1933.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Williams's letter of the 20th December, 1932,§ and the accompanying copy of a despatch‖ from the Acting High Commissioner for Trans-Jordan forwarding a copy of the Estimates of the Trans-Jordan Administration for the financial year 1932-1933 as finally approved by the Legislative Council, together with a copy of a memorandum submitted by the British Resident in explanation of the differences between these Estimates and those approved by Treasury letter of 25th August, 1932 ¶

* No. 91. † No. 100. ‡ C. 97738/32 [No. 82]: not printed. § No. 102. ‖ No. 100. ¶ No. 91.

In reply I am directed to request you to inform the Secretary of State that My Lords concur in his proposal to convey his approval of the Estimates for 1932-1933 as finally approved by the Legislative Council, but at the same time to inform the High Commissioner that he has learned with surprise that the Legislative Council have seen fit to effect changes which will reduce by £P.1,073 the working balance of £P.4,000 which it was anticipated would be available at the 31st March, 1933, and that he hopes that the further savings anticipated by the British Resident will materialize in order that this normal working balance may be preserved.

I am to add with regard to the responsibility assumed by the Exchequer of contributing to the expenses of the Territory's administration that My Lords cannot agree to make good a budgetary deficit in so far as it is due to action taken by the local Legislative Council in opposition to the views of His Majesty's Government, and Their Lordships will be glad if the Secretary of State will cause an intimation to that effect to be conveyed to the High Commissioner.

I am, &c.,
E. J. STROHMENGER.

C. 97738/32 [No. 88].

No. 104.

TRANS-JORDAN.

THE SECRETARY OF STATE to THE ACTING HIGH COMMISSIONER.

(Confidential.)

SIR, Downing Street, 13th January, 1933.

I HAVE the honour to acknowledge the receipt of your Confidential despatch of the 17th November,* and to inform you that, after consultation with the Lords Commissioners of the Treasury, I approve the Estimates of the Trans-Jordan Administration for the year 1932-33, as finally passed by the Legislative Council.

2. I have learned, however, with surprise that the Legislative Council have seen fit to effect changes which will reduce by £P.1,073 the working balance of £P.4,000 which it was anticipated would be available at the 31st March, 1933, and I hope that the further savings expected by the British Resident will be realized in order that this normal working balance may be preserved.

3. In conveying their concurrence in the approval of these Estimates, Their Lordships remarked, with regard to the responsibility assumed by the British Exchequer of contributing to the expenses of the Territory's administration, that they could not agree to make good a budgetary deficit in so far as it was due to action taken by the Legislative Council in opposition to the views of His Majesty's Government.

I have, &c.,
P. CUNLIFFE-LISTER.

Sub-head J.—Aden.

C. 89295/31 [No. 1].

No. 105.

ADEN.

THE SECRETARY OF STATE to THE ACTING RESIDENT.

(Sent 8 p.m., 9th October, 1931.)

TELEGRAM.

[*Answered by No.* 106.]

No. 38. INDIA Office require estimate of amount to be received by them in 1932 on account of Police Force in Aden. Telegraph reply as soon as possible.—THOMAS.

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* No. 100.

C. 89295/31 [No. 2].

No. 106.

ADEN.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 4.20 p.m , 14th October, 1931.)

TELEGRAM.

No. 205. 14TH OCTOBER. Your telegram of the 9th October, No. 38.* Amount to be received by the India Office in 1932 on account of permanent armed Police Force in Aden which will be at full strength in 1932 is £8,000.

C. 89295/31 [No. 3].

No. 107.

ADEN.

THE SECRETARY OF STATE to THE RESIDENT.

(Sent 1.30 p.m., 17th October, 1931.)

TELEGRAM.

[*Answered by Nos.* 109 *and* 113.]

No. 41. TREASURY require submission of Estimates for 1932 by 31st October. Please telegraph by 25th October your estimate of amount to be inserted in Colonial and Middle Eastern Services Vote, 1932, for services for which His Majesty's Government is responsible. In this connexion see despatch Accounts No. 13 of 26th of March, 1931,† giving details for current year.

As regards Police, you have already given figure of £8,000 in telegram 205 of 14th of October.‡ I presume that as result of discussions with you whilst on leave you are prepared to agree that no provision need be made in 1932 for temporary armed force.

As regards Tribal Levies I have asked Air Ministry for an estimate and I presume Air Officer Commanding will discuss the matter with you. Please refer to your despatch 182 of the 2nd September§ and confirm that estimate will be based on strength of 5 Platoons for the whole of 1932. Full details should follow by despatch as soon as possible.—THOMAS.

C. 89295/31 [No. 4].

No. 108.

COLONIAL OFFICE to AIR MINISTRY.

[*Answered by No.* 110.]

SIR, Downing Street, 17th October, 1931.

I AM directed by Mr. Secretary Thomas to refer to Treasury Circular (No. F. 11904/32) of the 1st October, 1931, regarding the preparation of Civil Estimates for the year ending 31st March, 1933, and to ask that the Air Council will be good enough to furnish an estimate of the amount to be inserted in the Vote for Colonial and Middle Eastern Services, 1932, in respect of the Aden Protectorate Levies.

2. In this connexion, I am to refer to the letter from this Department of the 24th September‖ enclosing a copy of a despatch in which the Acting Resident referred to the disbandment of the 6th Platoon and the retention of the Force at a strength of five Platoons, and to Mr. Stevens' semi-officiol letter of the 23rd September¶ in which a purely provisional figure of £17,000 was given. Mr. Thomas will be glad if the Council

* No. 105. † 191A 1931/32 A/cs. [No. 12] : not printed. ‡ No. 106.
§ No. 232 in Middle East No. 38. ‖ C. 89332/31 [No. 26] : not printed.
¶ C. 87385/1/31 [No. 1] : not printed.

will be good enough to state the numerical strength of the Force and to supply details in due course showing how the amount was made up.

3. As the Treasury have asked that the Estimate may be submitted by the 31st October, I am to request that the information required may be supplied if possible by the 25th instant.

I am, &c.,
H. F. DOWNIE.

C. 89295/31 [No. 5].

No. 109.

ADEN.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 4.39 p.m., 24th October, 1931.)

TELEGRAM.

[*Answered by No.* 111.]

No. 213. 24TH OCTOBER. Your telegram of 17th September, No. 41.* The following amounts are for insertion in Estimates 1932-33. Contributions by His Majesty's Government regarding divisible expenditure (*a*) Civil Service £6,000, (*b*) Permanent Armed Police £8,000 No provision necessary for temporary armed Police, *vide* my despatch of 21st October, 1931, No. 210.† I presume that you will estimate for share of cost of building and equipment of permanent force as proportions of shares are unknown to me.

Expenditure on Protectorate Service (*a*) Protectorate Tribal Levies Estimate is under submission by Officers commanding British Forces, Aden, to the Air Ministry based on strength of fifth Platoon, (*b*) Protectorate Secretary £1,190, Political Officer £1,485, Pension Contributions £490, Leave Passages £195, (*c*) Durbar Presents and Political Services £5,880, Entertainments £1,900, Stipends £3,900, (*d*) Hodeidah Mission £250, (*e*) Miscellaneous : Secret Service £400. Protectorate Secretary travelling, maintenance of bungalow, repatriation of Aden seamen £50 each, rounding £40.

New provision : cost of water connexion to Protectorate Secretary's bungalow £50.

Reference your despatch of 1st October, No. 88,‡ no provision can be made regarding transfer of armament stocks until attitude of Government of India can be ascertained.

C. 89295/31 [No. 6].

No. 110.

AIR MINISTRY to COLONIAL OFFICE.

SIR. Air Ministry, London, W.C.2, 27th October, 1931.

IN reply to your letter of the 17th instant,§ I am commanded by the Air Council to request you to inform the Secretary of State for the Colonies that they are not yet in a position to furnish a final estimate of the cost of the Aden Protectorate Levies in 1932, but that, in view of information recently received from the Officer Commanding, British Forces in Aden, they expect that the sum of £16,000 (sixteen thousand pounds) will suffice to meet requirements.

2. A detailed estimate will be furnished as soon as possible.

I am, &c.,
J. A. WEBSTER.

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* No. 107. † C. 89254/31 [No. 65] : not printed. ‡ C. 89251/31 [No. 25] in Middle East No. 34.
§ No. 108.

C. 89295/31 [No. 7].

No. 111.

ADEN.

THE SECRETARY OF STATE to THE RESIDENT.

(Sent 8 p.m., 6th November, 1931.)

TELEGRAM.

[*Answered by No.* 112.]

No. 44. YOUR telegram 213 of 24th October.* Estimates 1932/33. Please telegraph what reduction can be made in (*a*) Civil Services £6,000 as a result of the cut in salaries which Indian Government are making.—THOMAS.

C. 89295/31 [No. 8].

No. 112.

ADEN.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 3.14 p.m., 7th November, 1931.)

TELEGRAM.

No. 224. 7TH NOVEMBER. Your telegram of 6th November, No. 44.† I have not yet received notification of cut in salaries that Indian Government are making and cannot therefore yet estimate reduction in item(s) referred to.

C. 89295/31 [No. 9].

No. 113.

ADEN.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 9th November, 1931.)

(Secret.)
(No. 216.)

SIR, The Residency, Aden, 28th October, 1931.

I HAVE the honour to refer to Lord Passfield's despatch No. 69 of the 8th August, 1931,‡ regarding the future establishment of the Aden Protectorate Levies, and to your telegram No. 41 of the 17th October, 1931,§ on the subject of the Civil Estimates for 1932.

2. The Officer Commanding, British Forces in Aden, has discussed this matter with me, and his reasons for the retention of the 5th Platoon, with which I concur, are as follows :—

" The reasons for keeping the Levies at the present establishment are :—

(*a*) The full strength is insufficient to provide all the guards and pickets required by the Aden Defence Scheme and arrangements have already been made to reinforce the Levies in case of necessity by two companies of infantry from Egypt or the Sudan.

(*b*) In the event of an external attack on the Aden Settlement aircraft will deal with all large formed bodies of attackers, and the rôle of the Levies is to provide a defence against small isolated bands of raiders or marauders. The present establishment is the minimum which will provide a defence in the area to be covered.

(*c*) During the leave season the Levies are, in effect, much below strength, as each man is allowed 30 days' leave plus 21 days for travelling. This is equivalent to the loss of one complete platoon for over half the year.

* No. 109. † No. 111. ‡ No. 231 in Middle East No. 38. § No. 107.

The employment of the Levies for internal security, although not their primary rôle, is an important function which must not be lost sight of, particularly in view of the present transitional period in the policy and training of the armed police."

3 In view of these considerations the Officer Commanding, British Forces in Aden, informs me that he is including in his estimates to the Air Ministry, provision for the Aden Protectorate Levies based on the establishment of 5 Platoons.

I have, &c.,
B. R. REILLY,
Resident, &c.

C. 89295/31 [No. 12].

No. 114.

ADEN

THE RESIDENT to THE SECRETARY OF STATE.

(Received 23rd November, 1931.)

[*Answered by No.* 122.]

(No. 226.)

SIR, The Residency, Aden, 11th November, 1931.

WITH reference to my telegram No. 213, dated the 24th October, 1931,* I have the honour to submit herewith Estimates for expenditure in the financial year 1932-33 on various services connected with the Aden Protectorate. The following observations relate to specific items in the statement attached.

2. *Item I* (*a*). Divisible Expenditure (which again includes a sum of £1,500, as provided for in the current year's Estimates, on account of contribution for the Civil Hospital) has been calculated on the basis indicated in the India Office letter dated 29th July, 1930.† There is a gross increase under this item of £424. This is due to—

(1) higher rate of emoluments of the Resident;
(2) increase in the salaries of the Civil Surgeon and of the Aide-de-Camp, now styled Personal Assistant to the Resident;
(3) provision of £113 made on account of travelling allowances for the Resident, Personal Assistant, and clerical establishment. Provision for this was inadvertently omitted in the current year's Estimates.

Decreases in certain items under this head reduce the gross increase of £424 to £150 over the current year's sanctioned provision of £5,950.

Item I (*b*). Provision is made for the sum of £8,000 in accordance with my telegram No. 205 of the 14th October, 1931,‡ on the assumption that the Aden Armed Police (permanent) will be at full strength in the year under review.

Item I (*c*). For the reasons given in my despatch No. 210 of the 21st October, 1931,§ no provision is made in these Estimates for the Aden Armed Police (temporary).

Item I (*d*). I have omitted provision for the share of the cost of buildings, &c., debitable to His Majesty's Government, referred to by you in your telegram No. 18 of the 25th April, 1931,‖ under Item (*c*) as £4,850, as I am not aware of the proportion of share chargeable. I presume that you will make the necessary provision.

Item II (*a*). Provision for the establishment of the Aden Protectorate Levies based upon the strength of 5 platoons is being prepared by the Officer Commanding, British Forces in Aden, and is therefore omitted from these Estimates. My despatch No. 216 of the 28th October, 1931,¶ refers.

Item II (*b*) (iv). Provision is made for full return leave passages for the Protectorate Secretary and Political Officer and for half return passages for Mrs. Champion at the rates quoted in Mr. Cowell's demi-official letter, dated 25th February, 1930.**

* No. 109. † C. 79274/30 [No. 20] in Middle East No. 34. ‡ No. 135.
§ C. 89254/31 [No. 65] : not printed. ‖ No. 230 in Middle East No. 38. ¶ No. 113.
** P.F. 19148 C.R. [No. 65] : not printed.

Item II (*c*) (i) *and* (ii). I do not consider that at the moment it is expedient to reduce these two items. I anticipate some saving in the former owing to the gradual reductions that I have been able to effect in the grant of presents to Chiefs (envisaged in paragraph 5 of my despatch No. 238 of the 19th November, 1930,* covering Estimates for the financial year 1931-32), and to the fact that I have been unable, during this year, to carry out a projected tour in the Protectorate. It is proposed during the next financial year to initiate a simple scheme of medical training of selected tribesmen, within the provision now made under these two items.

Item III (*a*). New provision is made for the connexion of the Protectorate Secretary's house to the Air Ministry's piped water system (*vide* my despatch No. 227 dated the 11th November, 1931.†

Item III (*b*). Sir Stewart Symes in his despatch No. 82 of the 22nd April, 1930,‡ recommended that provision should be made in the Estimates for the maintenance of the furniture, carpets, and other equipment at the Residency, on the basis of the Bombay Public Works Department Manual, Appendix No. 24, Section A Rule 4 (*a*). I have accordingly estimated this provision as follows:—

	Capital value.			*Rate.*	*Maintenance.*
	£	s.	d.		£
(i) Furniture and carpets ...	1,370	13	8	2½ per cent.	34
(ii) Other equipment, say ...	400	0	0	12½ per cent.	50
					£84

Item III (*c*). Telephone rental: connexion with His Highness the Sultan of Lahej.

Included in Item I (*a*) above (£6,000) is provision for rental of telephones at the Protectorate Secretary's bungalow and the Aden Armed Police, the cost of which is wholly chargeable to His Majesty's Government. In the course of negotiations that are proceeding for the reorganization of the telephone system in Aden, it has been proposed by the Officer Commanding, British Forces in Aden, to the Air Ministry that the rental of the connexion of His Highness the Sultan of Lahej, between Lahej and Aden, should be charged to His Majesty's Government. This line is necessary and is used mainly for Intelligence and Political purposes; and while it is available for His Highness's private use I recommend that it should be maintained wholly at the charge of His Majesty's Government in consideration of the unique position that His Highness occupies in the Protectorate and of the great value I set upon its maintenance.

The provision of £205 here made is based upon an estimate submitted by the Officer Commanding, British Forces in Aden, to the Air Ministry.

3. It is regretted that the above Items III (*b*) and (*c*) had not been estimated in time for inclusion in my telegram No. 203 [? 213] of 24th October, 1931.§

I have, &c.,
B. R. REILLY,
Resident, &c.

* No. 217 in Middle East No. 38. † No. 115. ‡ 197 H. A/cs. [No. 39]: not printed. § No. 109.

Enclosure in No. 114.

ADEN.

ESTIMATE OF THE AMOUNT REQUIRED IN THE YEAR ENDING 31ST MARCH, 1933, FOR POLITICAL SERVICES IN ADEN.

	Sanctioned 1931-32.		*Proposed* 1932-33.	
	£	£	£	£
I. *Contribution by His Majesty's Government in Great Britain to the Government of India in respect of*:—				
(*a*) Civil Services, &c.	5,950	5,950	6,000	6,000
(*b*) Aden Armed Police (permanent)	6,800		8,000	8,000
(*c*) Aden Armed Police (temporary)	7,747			
(*d*) Buildings and Equipment ...	4,850	19,397		
II. *Expenditure in connexion with Protectorate*:—				
(*a*) Protectorate Tribal Levies ...	18,800	18,800		
(*b*) (i) Second Assistant Resident and Protectorate Secretary ...	1,190		1,190	
(ii) Political Officer	1,485		1,485	
(iii) Pension contributions ...	490		490	
(iv) Cost of leave passages ...	175	3,340	240	3,405
(*c*) Expenditure on Protectorate Chiefs—				
(i) Durbar Presents and Political Services	5,880		5,880	
(ii) Entertainment	1,900		1,900	
(iii) Stipends	3,900	11,680	3,900	11,680
(*d*) Cost of Hodeidah Mission ...	250	250	250	250
(*e*) Miscellaneous Expenditure—				
(i) Secret Service	400		400	
(ii) Travelling Expenses of Protectorate Secretary	50		50	
(iii) Maintenance of Protectorate Secretary's bungalow ...	50		50	
(iv) Repatriation of Arabs belonging to the Protectorate ...	50		50	
(v) Contingencies	33	583	33	583
III. *New Provisions*:—				
(*a*) Water connection for the Protectorate Secretary's bungalow			46	46
(*b*) Maintenance of the Residency furniture			84	84
(*c*) Telephone rental: connection with His Highness the Sultan of Lahej			205	205
		£60,000		£30,253

C. 89295/31 [No. 13].

No. 115.

ADEN.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 23rd November. 1931.)

(No. 227.)

The Residency, Aden, 11th November, 1931.

SIR,

I HAVE the honour to invite your reference to Civil Estimates 1932-33 that were forwarded to you under cover of my despatch No. 226 of the 11th November, 1931.*

* No. 114.

2. You will observe that provision has been included under item III (*a*) for the sum of £46, representing the estimated cost of a water installation in the Protectorate Secretary's bungalow, by connexion with the Air Ministry's water main in the near vicinity. The estimate has been made by the Public Works Department of the Aden Settlement at my request.

3. With the exception of the Residency premises, the Protectorate Secretary's bungalow is the only property in (Civil) Government ownership within the military area at Steamer Point, Aden, and the Protectorate Secretary at present obtains his water supply by the antiquated and unhygienic method of carriage in water containers, borne on donkeys.

In regard to the installation of a piped supply from the Air Ministry's main to the Residency I am making a separate proposal to the Government of India, to whom the premises belong.

4. The Air Ministry having recently begun to operate their piped supply system in that area I recommend that the Protectorate Secretary's bungalow should be connected to it. One of the Air Ministry's water mains runs in close vicinity to the premises.

5. Under present arrangements the connexions allowed by the Air Ministry to the Aden Settlement for supply of water to the civilian population are limited to four. The connexion now proposed cannot be included in these. The Officer Commanding, British Forces in Aden, to whom I have referred the proposal, has suggested that it may be taken up by the Colonial Office direct with the Air Ministry.

6 In requesting that this may be done I would observe that the amount of water to be drawn by the Protectorate Secretary from the Air Ministry system would normally average 50 gallons and would not exceed 80 gallons a day for which payment would be made on the basis of meter readings.

7. I have sent a copy of this despatch to the Officer Commanding, British Forces in Aden, with the request that he will forward his recommendations to the Air Ministry.

I have, &c.,
B. R. REILLY,
Resident, &c.

C. 89295/31 [No. 11].

No. 116.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 121.]

SIR, Downing Street, 24th November, 1931.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to Treasury Circular No. F. 11904/32 of the 1st of October, regarding the preparation of the Civil Estimates for the year ending the 31st March, 1933, and to transmit to you, to be laid before the Lords Commissioners of the Treasury, copies of the correspondence* on the subject of the amount to be inserted in the Colonial and Middle Eastern Services Vote, 1932, for services for which His Majesty's Government is responsible in respect of Aden.

2. Their Lordships will observe from this correspondence that the following provisional figures are given :—

(1) Contributions by His Majesty's Government to the Government of India in respect of :—

	£
(*a*) Civil Services connected with the Protectorate...	6,000
(*b*) Permanent Police	8,000
Temporary Police Force	nil
Share of cost of buildings and equipment of Permanent Force	...(not at present known)

* Nos. 107, 108, 109, 110, 111, 112, and 113.

(2) Expenditure in connexion with the Protectorate for which His Majesty's Government is wholly responsible :—

	£	£
(*a*) Protectorate Tribal Levies		16,000
(*b*) Second Assistant Resident and Protectorate Secretary :—		
Salary	1,000	
Local allowance	100	
Conveyance allowance	90	
	——	1,190
Political Officer :—		
Salary	900	
Local allowance	180	
Personal allowance	180	
Consolidated travelling allowance	225	
	——	1,485
Pension contributions	490	
Leave passages	195	
	——	685
(*c*) Expenditure on Protectorate Chiefs :—		
Durbar present and political services... ...	5,880	
Entertainments	1,900	
Stipends	3,900	
	——	11,680
(*d*) Hodeidah Mission		250
(*e*) Miscellaneous expenses :—		
Secret Service	400	
Protectorate Secretary, travelling	50	
Protectorate Secretary, maintenance of bungalow	50	
Repatriation of Aden seamen	50	
"Rounding"	40	
Cost of water connexion to Protectorate Secretary's bungalow	50	
	——	640
		£45,930

Pending settlement with the India Office on the question of the share of the cost of buildings and equipment for the Police Force falling to be borne by His Majesty's Government, a provisional figure of £50,000 has been inserted in the Estimates.

3. Their Lordships will be aware, however, that the salaries of the Second Assistant Resident and the Political Officer are to be reduced by £100 and £108 per annum, respectively, as from the 1st of December, 1931; but it is not yet possible to ascertain the reduction in the contribution by His Majesty's Government to the Government of India in respect of civil services connected with the Protectorate, until information has been received from the Government of India as to the reduction in the salaries of the Resident himself and of the officials of the Government of India.

4. With regard to the last sentence of the Resident's telegram No. 213 of the 24th of October,* Sir Philip Cunliffe-Lister does not propose to proceed with the question of the transfer of armament stocks from Indian to Residency charge.

5. A further letter will be addressed to you as soon as further information is received from the Government of India in regard to the reduction in salaries, and on receipt of detailed Estimates from the Air Ministry and the Resident.

I am, &c.,
H. R. COWELL.

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* No. 109.

C. 89295/31 [No. 17].

No. 117.

COLONIAL OFFICE to AIR MINISTRY

[*Answered by No.* 120.]

SIR, Downing Street, 8th January, 1932.

I AM directed by Secretary Sir Philip Cunliffe-Lister to transmit to you herewith, to be laid before the Air Council, a copy of a despatch* from the Resident, Aden, regarding a water installation in the bungalow of the Second Assistant Resident and Protectorate Secretary by connexion with the Air Ministry's water main in the near vicinity.

2. I am to request that the Secretary of State may be favoured with the Air Council's early observations on the Resident's proposal and to state that, in the meantime, provision of £46 for the cost of the installation is being inserted under Subhead J.-Aden, of the Estimate of the Vote for Colonial and Middle Eastern Services, 1932.

I have, &c.,
F. J. HOWARD.

C. 97895/32 [No. 1].

No. 118.

MR. W. G. STEVENS (AIR MINISTRY)

to

MR. F. J. HOWARD (COLONIAL OFFICE)

Air Ministry, Adastral House.

DEAR HOWARD, Kingsway, W.C.2, 12th January, 1932.

I ENCLOSE final estimate for Aden Protectorate Levies, 1932, in detail. As you will see, the total, £16,000, is the same as given in our letter of the 27th October, 1931,† The reduction of £2,800, as compared with the 1931 estimate, is due partly to the disbandment of one platoon and partly to the decrease in works services.

Certain of the individual items want, perhaps, some little explanation For instance, the saving on pay (Item 1) would have been larger but for the fact that the 1931 provision was under-estimated; the reduction in Item 4 is also due to more accurate estimating, rather than to a reduction in the cost of the services. Item 6 (Arms and Ammunition) is down, owing to the fact that the Force is now more fully furnished with its standard equipment. The estimate for works services is lower owing to reduction in requirements for both capital and maintenance services.

I should add that the estimate is based on the assumption that there will be 5 platoons for the whole year.

Yours, &c.,
W. G. STEVENS.

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* No. 115. † No. 110.

Enclosure in No. 118.

ADEN PROTECTORATE LEVIES.

DETAILS OF ESTIMATES FOR 1932 AS COMPARED WITH 1931.

	1932. £	1931. £
1. Pay and allowances of personnel	7,500	7,700
2. Rations	2,000	2,500
3. Clothing and equipment	600	600
4. Fuel, light, water, barrack services, and conservancy charges	1,400	1,750
5. Purchase and hire of animals, forage, shoeing, veterinary services, and saddlery	1,500	1,350
6. Arms and ammunition	300	700
7. Medical and hospital services	400	500
8. Transport services, *i.e.*, use of mechanical transport supplied on repayment, passages, freight, and travelling ...	1,000	1,050
9. Works services	700	2,100
10. Miscellaneous, *i.e.*, postage, telephones, special training grant, miscellaneous small stores, and contingencies ...	350	200
11. Contribution towards non-effective charges for loaned Army personnel payable to War Office	250	350
	£16,000	£18,800

	Numbers.
British officers	3
British warrant or non-commissioned officers ...	1
Native personnel	195

C. 97895/32 [No. 2].

No. 119.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 121.]

SIR, Downing Street, 21st January, 1932.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to the letter from this Office of the 24th of November, 1931,* on the subject of the provision in respect of Aden to be made in the Colonial and Middle Eastern Services Vote, 1932, and to transmit to you, to be laid before the Lords Commissioners of the Treasury, the accompanying copy of correspondence.†

2. As regards the contribution by His Majesty's Government in Great Britain to the Government of India in respect of :—

(*a*) Civil Services, &c., in respect of which the Resident has inserted the sum of £6,000, I am to observe that the provision of £5,950 included in the current year's Estimate covered the following services :—

	£
(1) Civil Services connected with the Protectorate (as distinct from the settlement for which India is responsible) including non-effective charges	4,300
(2) Contribution to the Civil Hospital at Aden	1,500
(3) Upkeep of Residency furniture	150
	£5,950

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* No. 116. † Nos. 114, 115, and 118.

In paragraph 2 of his despatch, No. 226 of the 11th of November,* the Resident points out that the estimate for Civil Services (Item 1 (*a*)) has been calculated as indicated in India Office letter of the 29th of July, 1930.† This basis of allocation was approved by Their Lordships in Treasury letter of the 28th of August, 1930, No. S. 21238/02.‡

Colonel Reilly also states that the provision in 1932 will be effected by the increases given in (1), (2), and (3) of paragraph 2 of his despatch, but that there are decreases in certain items under this heading. In this connexion I am to observe that the higher rates of emoluments of the Resident had been taken into consideration in fixing the provision for the current year.

A further reduction can be made in respect of the contribution to the Civil Services in view of the fact that the salary of the Resident and other officers of the Government of India is being reduced by ten per cent., this reduction, however, being inclusive of the additional income tax imposed by the recent Indian Supplementary Budget.

Having regard to all these circumstances, Sir Philip Cunliffe-Lister is of opinion that the provision in respect of Civil Services for 1932 should be reduced to £4,000.

3. As regards the contribution to the Civil Hospital at Aden, I am to state that, up to the present, no further information has been received from the Government of India, who are, it is understood, in correspondence with the Government of Bombay on the subject. Their Lordships will recollect that it was originally proposed that, of the recurrent expenditure on this Hospital estimated at Rs. 55,000 per annum, Rs. 22,000, being 40 per cent. of the total, should be contributed by His Majesty's Government on the ground that, of the total number of patients treated at the Hospital, 40 per cent. came from outside the Settlement.

The Government of India, however, pointed out to the Government of Bombay that the Hospital serves the needs of the following classes :—

(1) the civil population;
(2) the Police;
(3) the inhabitants of the Aden Protectorate;
(4) the inhabitants of the Yeman;

and they considered that the cost of (1) would be a proper charge against provincial revenues; that the cost of (2) should be divisible in the same way as ordinary police expenditure; and that of (3) and (4) should be treated entirely as political expenditure. The Government of India also pointed out that certain improvements to the Hospital were sanctioned during 1931 at an estimated cost of Rs. 1,25,551 and they were of the opinion that this expenditure should also be apportioned in the same manner as that in respect of the maintenance of the Hospital. Reminders have been sent to the India Office on this subject, but, in the absence of any further information, I am to suggest that the sum of £1,500 only should be included in the Estimates, 1932, as in the case of the current year.

4. With regard to the provision for " Upkeep of Residency furniture," it is suggested that a sum of £100 be included for this service, under Head 1 (*a*) in Part III of the Colonial and Middle Eastern Services Estimates, 1932.

5. With regard to Item 1 (*b*), Permanent Armed Police Force, the sum of £8,000 has been provided, as the Force will be at full strength during the whole of 1932-33. This sum, as Their Lordships are aware, is the fixed contribution agreed upon towards the cost of this Force.

6. With regard to Item (1) (*d*), Share of cost of buildings, &c., occupied by the Police, it will be within the recollection of Their Lordships that the sum of £4,850 was provided in the Estimates for the current financial year as the liability of His Majesty's Government in respect of the cost of new buildings and equipment for the permanent force. The sum was made up as follows :—

	Rs.
(*a*) Estimated cost of new buildings	1,88,929
(*b*) New equipment	33,000
Total, say	Rs. 2,22,000
29 per cent.	64,380
or approximately	£4,850

A letter has, in this connexion, been addressed to the India Office inquiring what proportion of this sum will be expended before the 31st of March next, in order that

* No. 114. † C. 79274/30 [No. 20] in Middle East No. 34.
‡ C. 79274/30 [No. 27] in Middle East No. 34.

provision for the unexpended balance can be made in 1932, and the India Office have telegraphed to the Government of India, but, up to the present, no reply has yet been received.

The Government of India have recently suggested that His Majesty's Government should bear 29 per cent. of the cost of *existing* accommodation occupied by the Armed Police Force in addition to the 29 per cent. of the cost of the *new* accommodation and equipment and, at the request of this Department, and after semi-official consultation with your Department, a telegram has been sent by the India Office to the Government of India inquiring, with a view to considering the proposal, whether the phrase " Cost of existing buildings " is to be construed as meaning the present value of the buildings and, if so, what amount is involved. A reply has not yet been received and, in the absence thereof, there are no data on which to determine the provision required in 1932. Sir Philip Cunliffe-Lister would suggest, however, that a round sum of £5,000 should be provided provisionally for the services referred to in this paragraph.

7. In this connexion I would refer to the four letters from this Office to your Department of the 12th January* on the subject of :—

(1) expenditure of the sum not exceeding Rs. 26,743/8/- in respect of provision of accommodation for the detachment of the Aden Police Force stationed at Kamaran;
(2) expenditure of Rs. 12,823 in respect of urgent repairs to certain barracks occupied by the permanent Armed Police Force;
(3) expenditure of Rs. 7,444 (plus 25 per cent. for certain charges) in respect of the construction of quarters and guard room for the police stationed at Sheikh Othman, and for the leasing of a house as an *ad interim* arrangement at a rental of Rs. 40 *per mensem;* and
(4) expenditure of a sum of approximately Rs. 2,447 for annual repairs to the buildings occupied by the temporary Armed Police Force at Aden;

and to say that the Secretary of State hopes Their Lordships will accord their sanction to this expenditure at a very early date in order that, if possible, any liability of His Majesty's Government may be charged to the current financial year and thus avoid the necessity for any provision for unexpended balances in next year's Estimates.

8. With regard to the expenditure in connexion with the Protectorate for which His Majesty's Government is *wholly* responsible, I am to enclose a copy of a semi-official letter† which has been received from the Air Ministry together with details, from which Their Lordships will observe that the sum of £16,000 is required on account of the Aden Protectorate Levies. This figure is based on the assumption that the strength of the Levies will remain at five platoons for the whole of the financial year. In this connexion I am to refer to the letter from this Office of the 24th of November last.‡

9. With regard to the provision of the Second Assistant Resident and Protectorate Secretary and the Political Officer, I am to state that the salary of the first-named has been reduced from £1,000 to £900 and that of the latter from £900 to £810, in addition to which the personal allowance of £180 payable to the Political Officer has been reduced to £162, in accordance with the letter from this Department to the Treasury of the 6th of November, 1931.§ Provision, therefore, is required in 1932 as follows :—

(*a*) for the Protectorate Secretary, £1,090, and
(*b*) for the Political Officer, £1,377, instead of the figures of £1,190 and £1,485 respectively given by Colonel Reilly.

10. A reduction of £30 can also be made in the provision for pension contributions for these two officers, thus reducing the provision to £460.

11. With regard to the provision of £11,680 in respect of expenditure on Protectorate Chiefs, Sir Philip Cunliffe-Lister recommends that no reduction should be made in this figure, and he has no observations to make on the proposed provision of £250 for the cost of the Hodeidah Mission and £583 for miscellaneous expenditure.

12. With regard to new provisions, I am to state that a letter has been addressed to the Air Ministry in connexion with Item (*a*), water connexion for the Protectorate Secretary's bungalow and, as the telephone line connected with the Sultan of Lahej, Item (*c*), is used mainly for intelligence and political purposes, no objection is seen to the provision made therefor. Item (*b*) can be deleted as provision to the extent of £100 has been included under 1 (*a*) below as explained in paragraph 4 of this letter.

* C. 89254/31 [Nos. 97, 98, 99, and 100] : not printed. † No. 118. ‡ No. 116.
§ C. 89298/31 [No. 4] : not printed.

13. Summarizing the foregoing, I am to ask that Their Lordships may be pleased to approve the provision of £50,600 under Sub-head K, Aden, of the Colonial Middle Eastern Services Vote for 1932 made up as follows:—

I. Contributions by His Majesty's Government to the Government of India in respect of:—

	£	
(*a*) Civil Service connected with the Protectorate, including a contribution to the Civil hospital at Aden of £1,500 ...	5,600	(paragraphs 2, 3, and 4)
(*b*) Permanent Police Force, including share of cost of capital works	13,000	(paragraphs 5, 6, and 7)

II. Expenditure in connexion with the Protectorate for which His Majesty's Government is wholly responsible:—

	£	£	
(*a*) Protectorate Tribal Levies		16,000	(paragraph 8)
(*b*) Second Assistant Resident and Protectorate Secretary (£800—25—1,000 inclusive, less 10 per cent.)	900		
Local allowance	100		
Conveyance allowance	90		
		1,090	(paragraph 9)
Political Officer (£900 inclusive, less 10 per cent.)	810		
Personal allowance (£180, less 10 per cent.)	162		
Local allowance	180		
Consolidated travelling allowance	225		
		1,377	(paragraph 9)
Pension contribution (£460) and cost of leave passages (£240)...		700	(paragraph 10)
(*c*) Expenditure on Protectorate Chiefs		11,680	(paragraph 11)
(*d*) Mission at Hodeidah		250	(paragraph 11)
	£		
(*e*) Miscellaneous expenses ...	583		
	46		
	205		
	834		
add to round up ...	69		
		903	(paragraphs 11 and 12)
Total ...		£50,600	

With regard to the contribution to be made by the Government of India in respect of expenditure at Aden, I am to say that the sum of £12,450 has been inserted under the Appropriation-in-Aid sub-head of the Vote and is arrived at as follows:—

	£	£
Total expenditure under Sub-head J ...		50,600
Less cost of Police	13,000	
,, Mission at Hodeidah	250	
		13,250
		£37,350

one-third of which is £12,450 whilst receipts in connexion with the Protectorate Tribal Levies are estimated at £150.

I am, &c.,
H. R. COWELL.

C. 97895/32 [No. 11].

No. 120.

AIR MINISTRY to COLONIAL OFFICE.

SIR, Air Ministry, London, W.C.2, 27th January, 1932.

I AM commanded by the Air Council to refer to Colonial Office letter dated the 8th January* transmitting a copy of a despatch from the Resident, Aden, relative to the provision of a pipe line for the supply of water to the Protectorate Secretary's bungalow by connexion with the Air Ministry's water main and to acquaint you, for the information of the Secretary of State for the Colonies, that they see no objection to the proposal provided that the connexion is limited to a pipe of $\frac{3}{4}$-inch diameter.

The Council presume that the work will be carried out by the Public Works Department and the Officer Commanding, Aden, has been notified accordingly Any work undertaken by the Air Ministry in regard to the supply will, however, be a repayment service inclusive of the usual departmental expenses.

I am, &c.,
J. S. ROSS.

C. 97895/32 [No. 3].

No. 121.

TREASURY to COLONIAL OFFICE.

(S. 21238/06.)

SIR, Treasury Chambers, 15th February, 1932.

I HAVE laid before the Lords Commisioners of His Majesty's Treasury Mr. Cowell's letters of the 24th November, 1931,† and the 21st January, 1932,‡ on the subject of the provision in respect of Aden to be made in Colonial and Middle Eastern Services Estimate, 1932.

In reply I am directed to request you to inform the Secretary of State that My Lords approve the provision of the sum of £49,000 under Sub-head J and £13,050 under Sub-head L (Appropriations-in-Aid) of the Estimate to be submitted to Parliament.

My Lords have included in the provision under Sub-head J a sum of £3,000 in respect of such contribution as it may be decided to make towards the expenses of the Civil Hospital at Aden in the course of the year 1932 They understand that correspondence is taking place with the Government of India on this subject and They will await a further communication on the matter. Meanwhile Their Lordships will be glad if no contributions are made to the cost of the Hospital without Their prior sanction.

I am, &c.,
R V. NIND HOPKINS.

C 97895/32 [No. 4].

No. 122.

ADEN.

THE SECRETARY OF STATE to THE RESIDENT.

(No. 32.)

SIR, Downing Street, 24th May, 1932.

I HAVE the honour to refer to your despatch No. 226 of the 11th November last,§ on the subject of the estimate of expenditure in 1932-33 on various services connected with the Aden Protectorate, and to enclose, for your information, copies of correspondence‖ with the Lords Commissioners of the Treasury on this matter.

You will observe that Their Lordships have approved the provision of a sum of £49,000 instead of the amount of £50,600 recommended in paragraph 13 of the letter to the Treasury of the 21st January and the difference is explained as follows:—

Item I (*a*). A sum of £3,000 has been included in respect of such contribution as it may be decided to make towards the expenses of the Civil Hospital at Aden for the years 1931 and 1932 instead of £1,500 recommended for 1932. This question is under consideration with the India Office and, pending a settlement, Their Lordships

* No. 117. † No. 116. ‡ No. 119. § No. 114. ‖ Nos. 119 and 121.

have asked that no contribution should be made to the cost of the Hospital without their prior sanction. Increase £1,500.

Item I (*b*). The proposed provision of £13,000 as a contribution towards the cost of the permanent Police Force has been reduced to £10,000, made up as follows:—

	£
Contribution agreed upon	8,000
Capital expenditure on new accommodation	1,000
Equipment (balance)	1,000

The question of a contribution towards the cost of existing accommodation utilized for the force as distinct from new construction or alteration is under consideration. Decrease £3,000.

Item II (*e*). From the figure of £834 for miscellaneous expenses, a sum of £31 was deducted to round down, thus reducing provision to £803 instead of £903. Decrease £100.

Summarizing the foregoing, the position is:—

	£
Amount recommended ...	50,600
Net decrease	1,600
Amount approved	£49,000

A statement showing the details of the amount inserted under Item II (*a*), Protectorate Tribal Levies, is also enclosed.*

I have, &c.,
P. CUNLIFFE-LISTER.

Sub-Head L.—Appropriations-in-Aid.

C. 89188/31 [No. 10].

No. 123.

COLONIAL OFFICE to TREASURY.

SIR, Downing Street, 3rd November, 1931.

WITH reference to the letter from this Department of the 21st of October,† on the subject of the preparation of Estimates for 1932, I am directed by Mr. Secretary Thomas to inform you that, subject to the approval of the Lords Commissioners of the Treasury, the sum of £2,500 is being inserted under Sub-head L, Appropriations-in-Aid of the draft Estimates for Colonial and Middle Eastern Services for 1932 in respect of miscellaneous receipts in connexion with the High Commission in 'Iraq.

2. This figure has been based on the amount realized during 1930, namely, £1,861, and having regard to the fact that the whole of the amounts received in respect of consular fees and miscellaneous receipts will be credited instead of one-half as in years prior to 1931.

I am, &c.,
O. G. R. WILLIAMS.

C. 87385/1/31 [No. 9].

No. 124.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 60.]

SIR, Downing Street, 13th November, 1931.

WITH reference to the last paragraph of the letter from this Department of the 10th of November,‡ I am directed by Secretary Sir Philip Cunliffe-Lister, to transmit to you, for the consideration of the Lords Commissioners of the Treasury, copies of telegraphic correspondence§ with the Acting High Commissioner for Palestine regarding the amount of the Government of Palestine's contribution towards the cost of Defence Services in the financial year 1932-33.

* Enclosure in No 118. † No 132. ‡ No. 49. § C. 87385/31 [Nos. 1 and 5]: not printed.

2. It will be seen that, on the information at present available, the Acting High Commissioner estimates revenue for the year 1932-33 at £2,353,000 and expenditure at £2,420,000. The surplus balance at the 31st of March, 1932, is estimated at £614,000. For the reasons stated in his telegram of the 7th of November,* Mr. Young considers that the Government of Palestine's contribution towards the excess cost of the garrison, including local services, should not exceed £92,000, that is to say, that the contribution should be equivalent to that approved for the year 1931, viz., £55,000 towards the excess cost of the garrison, plus the cost of local services which in the year 1932-33 are estimated to cost £37,000.

3. Details of the estimated cost of local services are contained in the Acting High Commissioner's telegram of the 31st of October,† of which a copy was enclosed in the letter from this Department of the 10th of November. Of the total sum of £37,000, £17,000 represents the cost of services rendered by the Government of Palestine's own undertakings and £20,000, the cost of other local services, provision for which will, as Their Lordships are aware, be made in future on the votes of the War Office and the Air Ministry in the first instance. The amount suggested for insertion as an Appropriation-in-Aid in respect of Palestine in the Colonial and Middle Eastern Services Vote for the year 1932-33 is, therefore, £92,000 less £17,000, that is, £75,000.

4. In paragraph 293 of the Report of the Financial Commission it was calculated that, out of a total estimated surplus balance of £552,000 at the 31st of December, 1931, only £272,000 could be regarded as a "free" surplus, and it was on this basis that the Government of Palestine's contribution towards the excess cost of the garrison was fixed at £55,000 for the current year. If similar considerations are applied to the estimated surplus balance of £614,000 on the 31st of March, 1932, it will be seen that a sum of only £267,000 can be regarded as a "free" surplus, as follows:—

	£	£
Surplus balance at 31st March, 1932		614,000
Deduct:—		
Deficit between estimated revenue and expenditure 1932-33	67,000	
Working balance	150,000	
"Impounded" portion of surplus (see paragraph 293 of Financial Commission Report)	130,000	
		347,000
"Free" surplus balance		267,000

Out of this "Free" surplus it is necessary to reserve provision for the Police Force Barracks, the Railway Renewal Fund, and the other important services enumerated in paragraph 294 of the Financial Commission's Report. It will also be necessary, as Mr. Young points out, to meet from this source the cost of the Department of Development, in view of the present uncertainty with regard to the issue of a development loan.

5. In these circumstances there appears to be no ground for proceeding with the suggestion, which has already been discussed semi-officially with the Treasury, that in the financial year 1932-33 and subsequent years, the Palestine Government should make provision in the Estimates for its full liability in respect of Defence Services, and that, if it should be found impossible to balance the budget on this basis, the question of a general grant-in-aid to Palestine revenues should be considered. Copies of telegraphic correspondence on this subject with the High Commissioner have been sent to the Treasury semi-officially in letters of the 31st of August‡ and the 15th of September.§ The Secretary of State feels that he has no alternative but to concur for the present with the proposal that the contribution of Palestine should be limited to £92,000 in the forthcoming financial year, but he will, of course, be prepared to reconsider the matter when more definite figures of anticipated revenue and expenditure are available at a later date.

I am, &c.,
O. G. R. WILLIAMS.

---

* C. 87385/31 [No. 5]: not printed. † No. 48 ‡ C. 87033/3/31 [No. 6]: not printed.
§ C. 87033/3/31 [No. 9]: not printed.

C. 89506/31 [No. 8].

No. 125.

PALESTINE.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 5.18 p.m., 28th December, 1931.)

TELEGRAM.

No. 328. 28TH DECEMBER. My telegram No. 267 of the 7th November.* Following revised Estimates are now available (*a*) surplus balance at 31st March, 1932, £587,933, (*b*) revenue for the year 1932-33 £2,426,583. This includes Grant-in-Aid £134,483, (*c*) expenditure from revenue £2,421,091. This includes £104,000 for Defence including local services amounting to £49,000, of which £29,000 from Palestine's own undertakings, and also includes Trans-Jordan Frontier Force £183,405, (*d*) expenditure from surplus balances £55,600, of which £10,000 for police buildings under Public Works Extraordinary and £45,600 for railway renewal fund, (*e*) surplus balance at 31st March, 1933, £537,825.

C. 98188/32 [No. 8].

No. 126.

MR. H. F. DOWNIE (COLONIAL OFFICE)

to

MR. W. R. L. TRICKETT (TREASURY).

DEAR TRICKETT, Downing Street, 2nd February, 1932.

WE have now been considering in the light of the Palestine draft Estimates for 1932-33, a revision of the amount of Palestine's contribution towards Defence which appears in the draft Estimate for Colonial and Middle Eastern Services, 1932, under the Appropriation-in-Aid Sub-head, and in the official letter on the Estimates we are suggesting that the financial position does not justify a contribution on a higher basis than in the current year, viz., £55,000 plus cost of "local services."

We have, however (for reasons explained in the letter on the Estimates), thought it safe to reduce the High Commissioner's figure for cost of local services (Head XXIV, Item 5) from £37,000 to £30,000, and the figure to be inserted in the Colonial and Middle Eastern Vote as an Appropriation-in-Aid will, therefore, be £85,000.

Yours, &c.,
H. F. DOWNIE.

C. 98188/32 [No. 10].

No. 127.

MR. W. R. L. TRICKETT (TREASURY)

to

MR. O. G. R. WILLIAMS (COLONIAL OFFICE).

(F. 12042/32.) Treasury Chambers,
DEAR WILLIAMS, Whitehall, S.W.1, 4th February, 1932.

Sub-heads I and L.

WITH reference to the discussion with Howard, Downie, and yourself this afternoon, I confirm our agreement to the insertion of £90,000 in the Estimate, as the amount of Palestine's contribution towards the cost of Defence.

We are aware that the £90,000 is made up of a cash contribution of £60,000 (in lieu of the £55,000 in 1931) plus a cash reimbursement of £30,000 in respect of local services rendered to the Air Ministry and the War Office, and payable in the first instance by those Departments. The £12,000 difference between preferential rail rates and ordinary rates does not affect any provision in the Imperial Estimate, being a domestic matter to be adjusted by the Palestine Government between her central Exchequer and Railway revenues.

* C. 87385/31 [No. 5]: not printed.

We agreed also that it would be undesirable to split up the £90,000 contribution into its component parts of £60,000 and £30,000, but that the proper course is to take the lump sum of £90,000 as the reasonable contribution to be made by Palestine, having regard to her ability to pay, to the Defence cost of £164,750—£142,000, of which she is in principle liable to recoup us in full.

We can but trust to the correctness of the figures supplied us by the Air Ministry and the War Office; and we are taking it to be clear that the figure of £164,750 provided under Sub-head I. 1 includes provision for the payments to be made by the Royal Air Force and the Army for the services to be locally rendered them.

Yours, &c.,
W. R. L. TRICKETT.

C. 97895/32 [No. 5].

No. 128.

MR. F. J. HOWARD (COLONIAL OFFICE)

to

MR. W. G. STEVENS (AIR MINISTRY).

MY DEAR STEVENS, Downing Street, 23rd February, 1932.

I UNDERTOOK a short time ago to let you know (*a*) the amount included in the Colonial and Middle Eastern Services Vote on account of political charges at Aden, and (*b*) the figure we were taking under our Appropriation-in-Aid Sub-head in respect of India's contribution thereto.

As you know, the Cabinet decision in 1926 was that "India should contribute towards the military and political charges the sum of £250,000 a year for three years, and after that £150,000 a year or one-third of the total cost (including the cost of any Force Units at Aden), whichever is the lesser figure."

The provision we have made in respect of Aden for 1932 is £49,000, but of this sum £10,000 is in respect of the Police Force and £250 is the estimated cost of the Hodeidah Mission, both of which items are excluded so far as the contribution from the Government of India is concerned. Under our Appropriation-in-Aid Sub-head, therefore, we have included £12,900 made up as follows:—

	£	£
Provision		49,000
Less Police	10,000	
,, Hodeidah	250	
		10,250
Difference		£38,750

one-third of which equals £12,917, say, £12,900.

Yours, &c.,
F. J. HOWARD.

Exchequer Extra Receipts.

Aden.

C. 89188/31 [No. 3].

No. 129.

ADEN.

THE SECRETARY OF STATE to THE RESIDENT.

(Sent 5.30 p.m., 17th October, 1931.)

[*Answered by No.* 130.]

No. 42. IN connexion with preparation of Estimates, 1932, please telegraph by 25th October when amounts in cash, if any, will be received in financial year 1932-33 on account of sales of arms and ammunition to Protectorate tribes.—THOMAS.

C. 89188/31 [No. 6].

No. 130.

ADEN.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 4.19 p.m., 24th October, 1931.)

TELEGRAM.

No. 214. 24TH OCTOBER Your telegram of 17th October, No. 42.* Estimated receipts during 1932-33 in respect of sale of arms and accoutrements £300.

C. 89188/31 [No. 9].

No. 131.

COLONIAL OFFICE to TREASURY

SIR, Downing Street, 3rd November, 1931.

WITH reference to the letter from this Department of the 21st of October,† on the subject of the preparation of estimates for 1932, I am directed by Mr. Secretary Thomas to transmit to you, to be laid before the Lords Commissioners of the Treasury, copies of telegraphic correspondence‡ with the Resident at Aden regarding the estimated receipts during the financial year 1932-33 in respect of sales of arms and ammunition to Protectorate tribes.

2. Subject to Their Lordships' approval the sum of £300 is being inserted in the draft Estimates for Colonial and Middle Eastern Services for 1932 as an extra receipt.

I am, &c.,
O. G. R. WILLIAMS.

Trans-Jordan.

C. 89188/31 [No. 4].

No. 132.

COLONIAL OFFICE to TREASURY.

SIR, Downing Street, 21st October, 1931.

I AM directed by Mr. Secretary Thomas to refer to Treasury Circular No. F. 11904 of the 1st October, 1931, regarding the preparation of estimates for 1932, and to state that it is proposed, subject to the approval of Their Lordships, to insert the sum of £2,590 under "Extra Receipts" in connexion with the Colonial and Middle Eastern Services Vote for 1932 on account of interest and sinking fund contributions on loans in connexion with the repair of earthquake damage in Trans-Jordan.

I am, &c.,
O. G. R. WILLIAMS.

Palestine.

C. 89188/31 [No. 2].

No. 133.

PALESTINE.

THE SECRETARY OF STATE to THE OFFICER ADMINISTERING THE GOVERNMENT.

(Sent 5.30 p.m., 17th October, 1931.)

TELEGRAM.

[*Answered by No.* 134.]

No. 230. IN connexion with preparation of Estimates, 1932, please telegraph by 25th October amount to be included therein in respect of share of profits of His Majesty's Government in 1932 on the working of the Kantara-Rafa Railway. In this connexion please refer to Colonial Office despatch 506 of 2nd July.§—THOMAS.

---

* No. 129. † No. 132. ‡ Nos. 129 and 130. § C. 87016/31 [No. 21] : not printed.

C. 89188/31 [No. 5].

No. 134.

PALESTINE.

THE OFFICER ADMINISTERING THE GOVERNMENT to THE SECRETARY OF STATE.

(Received 11.22 a.m., 24th October, 1931.)

TELEGRAM.

No. 251. 24TH OCTOBER. Your telegram No. 230.* Share of profits of His Majesty's Government in 1932 on working of Kantara-Rafa Railway estimated to be nil as a deficit is anticipated. Principal cause of decline in traffic receipts in 1931 are (*a*) decrease in tourist traffic £3,000, (*b*) increase of Egyptian Customs Tariff on Palestinian products particularly melons £5,000, (*c*) transport of oil by tank steamer to bulk installation at Haifa instead of in tins by rail from Egypt £15,000.

'Iraq (Basra Port).

C. 89188/31 [No. 11].

No. 135.

COLONIAL OFFICE to TREASURY

SIR, Downing Street, 3rd November, 1931.

I AM directed by Mr. Secretary Thomas to refer to the letter from this Department of the 21st of October,† regarding the preparation of estimates for 1932, and to state that, subject to the approval of the Lords Commissioners of the Treasury, the sum of £36,960 is being inserted under "Extra Receipts" in the draft Estimate for Colonial and Middle Eastern Services for 1932, in respect of the Port of Basra—Interest and Sinking Fund on account of assets taken over by the Port Authority.

I am, &c.,
O. G. R. WILLIAMS.

---

* No. 133. † No. 132.

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Printed for the use of the Colonial Office.

Middle East
No. 46.

Secret.

PAPERS

RELATING TO THE

Government of Aden
Relations with the Aden Protectorate
Relations with the Yemen

1933

[*In continuation of Middle East No.* 34; *continued by Middle East No.* 52.]

CORRESPONDENCE

1932–33

RELATING TO THE

Estimates for Aden Protectorate Services

1933—34

[*In continuation of Middle East No.* 45; *continued by Middle East No.* 52.]

Printed for the use of the Colonial Office.

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RELATING TO THE

Estimates for Aden Protectorate Services

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[*In continuation of Middle East No.* 45; *continued by Middle East No.* 52.]

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PAPERS RELATING TO THE GOVERNMENT OF ADEN, RELATIONS WITH THE ADEN PROTECTORATE, RELATIONS WITH THE YEMEN, AND ESTIMATES FOR ADEN PROTECTORATE SERVICES.

A. ADEN.

1. ESTIMATES.

C. 97900/32 [No. 1].

No. 1.

THE SECRETARY OF STATE to THE RESIDENT.

(Sent 5.10 p.m., 11th October, 1932.)

TELEGRAM.

[*Answered by No 2*]

No. 29. TREASURY require submission of Estimates for 1933 by 31st of October. Please telegraph by 25th of October your estimate of amount to be inserted in Colonial and Middle Eastern Services Vote, 1933, in respect of services for which His Majesty's Government is responsible. In this connexion see my despatch No. 32 of 24th of May* giving details for current year.

As regards Protectorate Levies I have asked Air Ministry for estimate and presumably Air Officer Commanding will discuss with you.

Full details should follow by despatch as soon as possible.

Please furnish also an estimate of the cash receipts in 1933-34 in respect of sales of arms and ammunition to Protectorate tribes.—CUNLIFFE-LISTER.

C. 97900/32 [No. 3].

No 2.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 4.29 p.m., 24th October, 1932.)

TELEGRAM.

24TH OCTOBER. No. 209. Your telegram of 11th October, No. 29.†

The following amounts are for insertion in Estimates, 1933-34. Contribution by His Majesty's Government regarding divisible expenditure (*a*) Civil Service £5,925, (*b*) permanent armed police £8,000. I presume you will estimate for share of cost of police building in consultation with India Office.

Expenditure on Protectorate Services (*a*) Protectorate tribal levies estimate is under submission by Officer Commanding British Forces at Aden to the Air Ministry, (*b*) Protectorate Secretary £1,190, political officer £1,302, pension contribution £460, leave and transfer passages £300, (*c*) Darbar presents and political services £6,030, entertainment £1,900, stipend £4,224, arms and ammunition £12,962, (*d*) Hodeidah Mission £250, (*e*) Miscellaneous :—secret service £400, Protectorate Secretary travelling, maintenance of bungalows, repatriation of Aden seamen £50 each, Lahej telephone rental £205, rounding £52.

Estimated cash receipts in respect of sale of arms and ammunition to Protectorate tribes £1,300.

---

* No. 122 in Middle East No. 45. † No. 1.

C. 97900/32 [No. 4].

No. 3.

AIR MINISTRY to COLONIAL OFFICE.

SIR, Air Ministry, London, W.C.2, 25th October, 1932.

IN reply to your letter of the 12th instant,* I am commanded by the Air Council to request you to inform the Secretary of State for the Colonies that, on the assumption that the strength of the Aden Protectorate Levies will be maintained at four infantry platoons and one camel troop for the whole year, the estimated amount required for the financial year 1933 is £16,500.

This estimate, which includes £1,000 for the cost of building a bungalow for the two junior officers, is provisional only, and a final figure together with the numbers and details asked for in your letter will be furnished in due course.

I am, &c.,
J. A. WEBSTER.

C. 97900/32 [No. 7].

No. 4.

COLONIAL OFFICE to TREASURY.

SIR, Downing Street, 2nd November, 1932.

I AM directed by Secretary Sir Philip Cunliffe-Lister to enclose, for the information of the Lords Commissioners of the Treasury, a copy of a telegram† which has been received from the Resident at Aden and a letter‡ from the Air Ministry relating to the provision to be made in the Vote for Colonial and Middle Eastern Services for 1933 in respect of Aden.

2. The sum of £65,500, based on figures supplied by the Resident and the Air Council, *vide* statement attached, has been provisionally inserted in next year's estimate pending receipt of further details, and the sum of £17,500 has been included under the Appropriation-in-Aid Sub-head in respect of the contribution by India towards the cost of political services.

3. As regards the figure of £5,650 inserted in the statement in respect of the share of the cost of buildings for the police, Their Lordships will recollect that the question of a contribution by His Majesty's Government in respect of *existing* buildings utilized by the armed police, was discussed at a meeting at the Treasury on 10th May last, but so far as Sir Philip Cunliffe-Lister is aware, no revised claim has yet been received from the Government of India. This figure, in the absence of any recent communication from India must, therefore, be regarded as purely tentative.

4. Their Lordships will observe that the Resident has included a sum of £12,962 in respect of arms and ammunition.

In reply to a telegraphic inquiry regarding this service, the Resident has stated that details are contained in a despatch sent by the mail of 26th October,§ which has not yet been received.

5 I am to add that a further communication will be addressed to Their Lordships as soon as details of the estimate have been received and considered.

I am, &c.,
H. R. COWELL.

---

* C. 97900/32 [No. 2] : not printed. † No. 2. ‡ No. 3. § No. 168 in Middle East No. 34.

Enclosure 3 in No. 4.

STATEMENT.

THE figures as given on enclosure 3 are as follows :—

	£	£
(1) Contribution by His Majesty's Government of India in respect of :—		
(*a*) Civil Services	5,925*	
(*b*) (i) Police	8,000	
(ii) Cost of buildings, say	5,650	
		19,575
(2) Expenditure in connexion with Protectorate :—		
(*a*) Protectorate Tribal Levies		16,500
(*b*) Political Secretary	1,190	
Political Officer	1,302	
Pension contributions	460	
Leave and passages...	300	
		3,252
(*c*) Darbar presents and political services ...	6,030	
Entertainment	1,900	
Stipends	4,224	
Arms and ammunition	12,962	
		25,116
(*d*) Hodeidah Mission		250
(*e*) Miscellaneous—		
Secret Service	400	
Protectorate Secretary, travelling	50	
Maintenance of Bungalows	50	
Repatriation of Adenese seamen	50	
Lahej telephone rental	205	
		755
Add for rounding off		52
		£65,500

Appropriation-in-Aid, one-third of political expenditure with the exception of police expenditure and Hodeidah, is recoverable from India.

	£	£	£
Total as above		65,600	[?65,500]
Less Police	13,650		
Hodeidah	250		
		13,900	
		£51,650	[?51,600]

One-third of which = £17,217, say £17,500 to cover any receipts in connexion with Tribal Levies.

---

* Presumably includes £1,500 as a contribution to the Civil Hospital at Aden.

C. 97900/32 [No. 9].

No. 5.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 21st November, 1932.)

[*Answered by No.* 10.]

(No. 224.)

SIR, The Residency, Aden, 9th November, 1932.

WITH reference to my telegram No. 209, dated the 24th October, 1932,* I have the honour to submit herewith Estimates for Expenditure in the financial year 1933-34 on various services connected with the Aden Protectorate. The following observations relate to specific items in the statement attached.

2. Item I (*a*).—Divisible expenditure has been calculated on the same basis as last year and includes a sum of £1,500 on account of the proposed contribution for the Civil Hospital, and £100 for the maintenance of the Residency furniture.

I have made no provision for the payment of acting pay to Mr. R. S. Champion during my absence on leave next year as the amount of this pay is under consideration —please see my despatch No. 177 dated the 7th September, 1932.†

3. Item I (*c*).—As the question of the share of the cost of Police buildings is still under discussion, I have made no provision in these estimates. I presume you will make the necessary provision after consultation with the India Office.

4. Item II (*a*).—An estimate for the establishment of the Aden Protectorate Tribal Levies is under submission to the Air Ministry by the Officer Commanding British Forces in Aden.

5. Item II (*b*) (i) and (ii).—Provision for these two items has been made in the light of my recommendations in my despatch No. 136 dated 20th July, 1932,‡ without taking into consideration the 10 per cent. cut. I have made no provision for the proposed establishment of a Political Officer at Sana'a recommended in my despatch No. 137 dated 20th July, 1932.§

6. Item II (*b*) (iv).—Provision is made for full leave return passage for Lieutenant-Colonel M. C. Lake on the assumption that he will be appointed as Protectorate Secretary on the expiry of Mr. Champion's period of deputation; a passage home to Mr. Champion on relinquishment, for half return passage for Mrs. Champion, and a passage out to Aden for a new Political Officer. I have made no provision for a passage for the proposed Political Officer at Sana'a.

7. Item II (*c*) (i).—The figure of £6,030 given in my telegram No. 209 of 24th October, 1932, should read £5,880. The original figure included £150 for the scheme of medical training of selected tribesmen which is now in progress, but, on further consideration, I am of opinion that this amount can still be found within the provision sanctioned for the current year, under Items (*c*) (i) and (ii) (*vide* my despatch No. 226 dated 11th November, 1931‖).

8. Item II (*c*) (iii).—The increase of £324 over the last year's provision is explained in my despatch No. 212 dated 26th October, 1932.¶

9. Item II (*c*) (iv).—Details of this item are given in my Confidential despatch No. 210 dated 26th October, 1932.**

I have, &c.,
B. R. REILLY,
Resident, &c.

---

* No. 2. † C. 97863/32 [No. 25]: not printed. ‡ No. 80 in Middle East No. 34.
§ No. 81 in Middle East No. 34. ‖ No. 114 in Middle East No. 45.
¶ C. 97903/32 [No. 1]: not printed. ** No. 168 in Middle East No. 34.

Enclosure in No. 5.

ADEN (MIDDLE EASTERN SERVICES VOTE).

ESTIMATE OF THE AMOUNT REQUIRED IN THE YEAR ENDING 31ST MARCH, 1934, FOR POLITICAL SERVICES IN ADEN.

	Sanctioned 1932-33. £	£	*Proposed* 1933-34. £	£
I. Contribution by His Majesty's Government in Great Britain to the Government of India in respect of:—				
(*a*) Civil Services, &c.	7,100	7,100	5,925	5,925
(*b*) Reorganized Permanent Force	8,000	8,000	8,000	8,000
(*c*) Police Buildings and Equipment	2,000	2,000	—	—
II. Expenditure in connexion with Protectorate:—				
(*a*) Protectorate Tribal Levies ...	16,000	16,000	—	—
(*b*) (i) Protectorate Secretary ...	1,090		1,190	
(ii) Political Officer	1,377		1,302	
(iii) Pension Contributions ...	460		460	
(iv) Cost of lease and transfer passages	240	3,167	300	3,252
(*c*) Expenditure on Protectorate Chiefs:—				
(i) Darbar Presents and Political Services	5,880		5,880	
(ii) Entertainment	1,900		1,900	
(iii) Stipends	3,900		4,224	
(iv) Arms and Ammunition ...	—	11,680	12,962	24,966
(*d*) Cost of Hodeidah Mission ...	250	250	250	250
(*e*) Miscellaneous Expenditure:—				
(i) Secret Service	400		400	
(ii) Travelling Expenses of Protectorate Secretary ...	50		50	
(iii) Maintenance of Protectorate Secretary's Bungalow	50		50	
(iv) Repatriation of Arabs belonging to the Protectorate	50		50	
(v) Telephone Rental: Connexion with His Highness the Sultan of Lahej ...	205		205	
(vi) Contingencies	33	788	52	807
				£43,200

17950/33 [No. 1].

No. 6.

AIR MINISTRY to COLONIAL OFFICE.

SIR, Air Ministry, London, W.C.2, 1st February, 1933.

WITH further reference to your letter of the 12th October, 1932,* I am commanded by the Air Council to request you to inform the Secretary of State for the Colonies that the estimated amount required to meet the cost of the Aden Protectorate Levies in the financial year 1933 remains at £16,500 as stated in Air Ministry letter of the 25th October last.†

Details of the estimate and the establishment on which it is based are given in the enclosed statement. The increase in the amount required for works services, which has to some extent been offset by savings on other items, is due to the need of building a bungalow for the two junior British officers.

I am, &c.,
J. A. WEBSTER.

Enclosure in No. 6.

ADEN PROTECTORATE LEVIES.

Details of Estimate for 1933 *compared with* 1932.

		1933. £	1932. £
1.	Pay and Allowances of Personnel	7,500	7,500
2.	Rations	2,000	2,000
3.	Clothing and Equipment	750	600
4	Fuel, Light, Water, Barrack Services, and Conservancy Charges	1,275	1,400
5.	Purchase and Hire of Animals, Forage, Saddlery, Veterinary Charges, Shoeing, &c.	1,350	1,500
6.	Arms and Ammunition	400	300
7.	Medical and Hospital Services	400	400
8	Transportation Services, *i.e.*, Use of Mechanical Transport, Passages, Freight, Travelling, &c.	750	1,000
9.	Works Services	1,600	700
10.	Miscellaneous, *i.e.*, Postage, Telephones, Special Training Grant, Miscellaneous Small Stores, &c.	375	350
11.	Payment to War Office for Non-effective Charges for loaned Army Personnel	250	250
		£16,650	£16,000

Numbers.

British Officers	3
British Warrant or Non-commissioned Officer ...	1
Native Personnel	197

---

* C. 97900/32 [No. 2] : not printed. † No. 3.

17950/33 [No. 3]. No. 7.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 8.]

SIR, Downing Street, 15th February, 1933.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to the letter from this Department of the 2nd November, 1932,* regarding the provision in respect of Aden to be made in the Colonial and Middle Eastern Services Vote, 1933, and to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch† from the Resident at Aden on this subject.

2. It will be observed from paragraph 2 of the Resident's despatch that the divisible expenditure under Item I (*a*) has been calculated on the same basis as last year, and includes a sum of £100 for the maintenance of the Residency furniture and £1,500 on account of the proposed contribution to the Civil Hospital at Aden. This latter sum has now received the semi-official sanction of the Treasury (see Mr. Ryan's letter to Mr. Laithwaite No. S 37467 of the 1st February).‡

3. The Resident has, however, made no provision for the payment of additional emoluments to Mr. Champion while acting for the former, who proposes to take six months' leave commencing in April, 1933. The question of the amount to be paid to Mr. Champion while acting as Resident is still under consideration in consultation with the Government of India, who have been asked to furnish their views by telegram, but Sir Philip Cunliffe-Lister proposes to include under Item I (*a*) a sum of £250 in respect of this service. This amount is, of course, provisional, and has been calculated on the assumption that the Acting Resident's emoluments will be regulated on the analogy of paragraph 62 of Colonial Regulations. A moiety of any additional payment to Mr. Champion will be borne by the Government of India. A separate communication on this point will be addressed to Their Lordships before any definite arrangement is entered into with the Government of India.

4. It will also be observed from paragraph 3 of the despatch that the Resident has made no provision in his estimate for the cost of the *existing* police buildings. As Their Lordships are aware, it has now been decided that, subject to acceptance by the Government of India, His Majesty's Government will contribute the sum of £500 per annum, for so long as the present conditions last, in respect of the use of the ***existing*** buildings used by the permanent armed police (see paragraph 3 of the above-quoted letter from Mr. Ryan to Mr. Laithwaite). This sum, therefore, requires to be added to the Resident's figure.

5. In regard to the expenditure on the Protectorate for which His Majesty's Government is wholly responsible, I am to enclose in respect of Item I (*a*), a copy of the estimate§ received from the Air Ministry from which Their Lordships will observe that the sum of £16,650 is required on account of the Aden Protectorate Levies. In forwarding this estimate the Air Council state that the increase in the amount required for works services, which has to some extent been offset by savings on other items, is due to the need for building a bungalow for the two junior British officers.

6. In paragraph 5 of his despatch of the 9th November, the Resident states that the provision under Items II (*b*) (i) and (ii) (Political Secretary and Political Officer) has been made in the light of the recommendations contained in his despatch, No. 136, of the 20th July, 1932.‖ A copy of this despatch is enclosed for Their Lordships' information. The question of the appointment of a successor to Mr. Champion as Political Secretary is still under consideration with the Government of India, but Sir Philip Cunliffe-Lister agrees generally with the Resident's recommendations in regard to the emoluments of the posts of Political Secretary and Political Officer, and recommends that the figures included in the estimate should be allowed to stand on condition that the matter is referred to Their Lordships for approval before any new appointment is made.

7. It will also be observed from paragraph 5 of the despatch of the 9th November, that the Resident has made no provision for the proposed establishment of a Political Officer at Sana'a, which is recommended in his despatch No. 137 of the 20th July, 1932,¶ a copy of which is enclosed herewith. As Their Lordships are aware, this appointment will not be made unless a treaty is concluded with the Imam of the Yemen and the outcome of the present negotiations is so problematical that Sir Philip Cunliffe-Lister does not consider it necessary to make any provision in the Estimates for 1933

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* No. 4. † No. 5. ‡ No. 16. § Enclosure in No. 6 ‖ No. 80 in Middle East No. 34.
¶ No. 81 in Middle East No. 34.

for this service. It will be seen from paragraphs 6 and 7 of the Resident's despatch No. 137 that the cost of such an appointment and of the additional expenditure on a mission at Sana'a would only amount to £1,375 in a whole year. Only a proportion of this sum would, therefore, be required during the next financial year, should the Treaty negotiations be brought to a successful conclusion.

8. It is, however, not impossible that the Treaty negotiations will reach a point when it will be necessary for the Resident to visit Sana'a, in which case, some additional expenditure may be incurred on this account. Sir Philip Cunliffe-Lister considers the best method of providing for possible expenditure of this nature is to increase the sum provided by the Resident for contingencies under Item II (*e*) (vi).

9. It will be observed from paragraph 7 of the despatch of the 9th of November that the Resident has himself reduced the figure of £6,030 under Item II (*c*) (i) to £5,880.

10. The provision under Item II (*c*) (iii) Stipends to Protectorate Chiefs, has been increased by the Resident by the sum of £324, being arrears of the stipend payable to the Sultan of Shehr and Mukalla (see paragraph 8 of the despatch of the 9th November). In this connexion, however, I am to invite reference to the correspondence ending with Sir R. V. Nind Hopkins' letter, No. 32316, of the 17th December, 1932,* from which it will be observed that payment of the arrears sanctioned will probably be met from the current year's provision. This item can, therefore, be reduced to £3,900.

11. The provision under Item II (*c*) (iv) for arms and ammunition has been reduced to £5,712. In this connexion attention is invited to the letter from this Department of the 11th January, 1933.†

12. To summarize the foregoing paragraphs of this letter, I am to request that Their Lordships may be pleased to approve the provision of £53,150 under the Aden Sub-head of the Colonial and Middle Eastern Services Vote for 1933. The sum is made up as follows:—

	£	£	
I. Contribution by His Majesty's Government in Great Britain to the Government of India in respect of:—			
(*a*) Civil Services connected with the Protectorate (including £1,500 in respect of the Civil Hospital at Aden and £250 in respect of additional pay to Mr. Champion while acting as Resident)		6,175	(paragraphs 2-3)
(*b*) Permanent Police Force (including £500 in respect of the *existing* buildings used by the Force)		8,500	(paragraph 4)
II. Expenditure in connexion with the Protectorate for which His Majesty's Government is wholly responsible:—			
(*a*) Protectorate Tribal Levies		16,650	(paragraph 5)
(*b*) (i) Political Secretary ...	1,190		(paragraph 6)
(ii) Political Officer ...	1,302		(,, 6)
(iii) Pension Contributions ...	460		
(iv) Cost of Leave and Transfer passages ...	300		
		3,252	
(*c*) Expenditure on Protectorate Chiefs—			
(i) Darbar Presents and Political Services ...	5,880		(paragraph 9)
(ii) Entertainment ...	1,900		
(iii) Stipends	3,900		(paragraph 10)
(iv) Arms and Ammunition	5,712		(paragraph 11)
		17,392	
(*d*) Cost of Hodeidah Mission		250	
(*e*) Miscellaneous Expenditure		755	
(*f*) Contingencies		176	(paragraph 8)
Total ...		£53,150	

* C. 97903/32 [No. 6]: not printed.

† No. 70.

13 With regard to the contribution to be made by the Government of India in respect of expenditure at Aden, I am to ask that the sum of £14,800 may be inserted under the Appropriation-in-Aid sub-head of the Vote to cover this item and that a sum of £150 may also be inserted to cover receipts in connexion with the Aden Protectorate Levies. The Government of India contribution is calculated as follows:—

	£	£
Total expenditure under Sub-head K		53,150
Less cost of Police	8,500	
,, ,, Mission at Hodeidah	250	
		8,750
		£44,400

one-third of which is £14,800.

I am, &c.,
H. R. COWELL.

17950/33 [No. 4].

No. 8.

TREASURY to COLONIAL OFFICE.

(S. 21238/07.)

SIR, Treasury Chambers, 17th February, 1933.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Cowell's letter of the 15th instant,* and the accompanying copy of a despatch from the Resident at Aden on the subject of the provision to be made in respect of Aden in the Colonial and Middle Eastern Services Estimate, 1933.

2. My Lords now direct me to request you to inform the Secretary of State that, subject to the reservations made below, They approve the proposed provision as summarized in paragraph 12 of the letter under reply.

3. My Lords note that a further communication will be addressed to Them on the subject of the emoluments of Mr. Champion while acting for the Resident.

4. As regards the provision for the Political Secretary and the Political Officer, My Lords note that changes in the personnel occupying these posts are expected during the latter half of the financial year. Having regard to the reduction of 10 per cent. in salaries referred to in paragraph 5 of the Resident's despatch, They consider that the sum of £1,090 should be provided for the Political Secretary. In the case of the Political Officer They are prepared, in the absence of precise information as to the computation of the sum of £1,302 shown in the estimate, to make provision for this amount. It should be understood, however, that in both instances the provision is inserted without prejudice to the question of the appropriate emoluments for the successors to the present holders of the two posts.

5. My Lords will cause the amount of £53,000 to be inserted under the Aden sub-head of the Estimate for Colonial and Middle Eastern Services.

6. The contribution of the Government of India in respect of the expenditure from this sub-head would, under existing arrangements, be estimated at £14,750 calculated as follows:—

	£	£
Total expenditure		53,000
Less cost of Police...	8,500	
Less cost of Mission at Hodeidah...	250	
		8,750
		£44,250

one-third of which is £14,750.

7. My Lords consider, however, that it will be appropriate to make allowance in the Estimate for Colonial and Middle Eastern Services for the prospective abatement from India's contribution of the sum of £500 in respect of the income tax considerations referred to in Mr. Ryan's semi-official letter of the 1st February, 1933,†

* No. 7.

† No. 16.

to Mr. Laithwaite. They will accordingly cause the amount of £15,250 to be inserted under the Appropriations-in-Aid sub-head in respect of India's contribution. In addition the amount of £150 will be inserted to cover receipts in connexion with the Protectorate Levies.

I am, &c.,
R. V. NIND HOPKINS.

17950/33 [No. 6].

No. 9.

MR. K. W. BLAXTER (COLONIAL OFFICE)

to

MR. W. G. STEVENS (AIR MINISTRY).

DEAR STEVENS, Downing Street, 27th February, 1933.

WITH reference to your letter of the 20th February,* the Treasury are inserting the sum of £14,250 in the Appropriation-in-Aid sub-head of the Colonial and Middle Eastern Services Vote for 1933 in respect of India's contribution to political services at Aden.

In existing circumstances India's contribution would have been:—

	£	£
Total expenditure		53,000
Less cost of Police	8,500	
Less cost of Mission to Hodeidah ...	250	
		8,750
		£44,250

one-third of which is £14,750.

The Treasury, however, have thought it appropriate to make allowance for the prospective abatement from India's contribution of the sum of £500 in respect of the income tax considerations referred to in the correspondence ending with Spaight's letter to Howard No. S. 30744 of the 30th of January,† and they have accordingly reduced the amount of India's contribution by that sum.

In addition they are inserting £150 in the Appropriation-in-Aid sub-head to cover receipts in connexion with the Protectorate Levies. In this connexion I should point out that in sending to the Treasury the figures regarding the Protectorate Levies enclosed with your official letter of the 1st of February,‡ the amounts shown against Items 3 and 8 were increased by £100 and £50 respectively. This was done after conversations between representatives of our Accounts Branch and the Air Ministry, from which it emerged that the estimates under these two items included a set-off for possible receipts amounting to £150. To conform to the usual practice, therefore, the gross expenditure has been taken into account and £150 for receipts will appear in the Appropriation-in-Aid.

The figure which will actually appear as the total Appropriation-in-Aid will, therefore, be £14,400, made up as follows:—

	£	
	14,750	
Less	500	
	£14,250	(contribution by Government of India)
Plus	150	(receipts in respect of Protectorate Levies)
	£14,400	

Yours, &c.,
K. W. BLAXER.

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*17950/33 [No. 5]: not printed. † 17907/33 [No. 1]: not printed. † No. 6.

17950/33 [No. 7].

No. 10.

THE SECRETARY OF STATE to THE RESIDENT.

(No. 37.)

SIR, Downing Street, 22nd March, 1933.

I HAVE the honour to refer to your despatch, No. 224 of the 9th of November, 1932,* regarding the Estimate of Expenditure in 1933-34 on various services connected with the Aden Protectorate, and to transmit to you the accompanying copies of correspondence† with the Treasury together with a copy of the Estimate‡ prepared by the Air Ministry of the cost of the Aden Protectorate Levies. A copy of the letter§ regarding the supply of arms and ammunition for the Aden Residency, to which reference is made in paragraph 11 of Colonial Office letter of the 15th of February,‖ is also enclosed for your information.

2. It will be observed that the Lords Commissioners of the Treasury have approved the insertion of £53,000 under the Aden sub-head of the Estimate for Colonial and Middle Eastern Services, 1933. The variations from the figures recommended in your despatch under reference and in the Colonial Office letter of the 15th of February are explained in the accompanying correspondence. In this connexion I have particularly to call your attention to paragraph 4 of the letter from the Treasury of 17th February, 1933.¶

3. It will be noticed that a provisional sum of £250 was added to the figure under Head 1 (*a*) in respect of the additional emoluments payable to Mr. Champion while acting as Resident during your leave this summer. The views of the Government of India on this question have now been received, and a further communication will be addressed to you as soon as the decision of the Treasury has been received.

4. You will also observe from paragraph 4 of the Colonial Office letter of the 15th of February, that the sum of £500 has been inserted under Head 1 (*b*) in respect of the cost of the *existing* buildings used by the Permanent Armed Police. I enclose in this connexion a copy of a letter** from the Treasury to the India Office which embodies the proposals of His Majesty's Government regarding the outstanding questions connected with these buildings, the Civil Hospital, and the income tax payable by British income-tax payers serving in Aden. These proposals have yet to receive the approval of the Government of India, who have been asked to expedite their decision so that the payment of any arrears may, if possible, be effected from the savings which are available this year.

I have, &c.,
P. CUNLIFFE-LISTER.

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2. DIVISIBLE EXPENDITURE.

(i) Review of General Arrangements.

17924/33 [No. 1].

No. 11.

INDIA OFFICE to COLONIAL OFFICE.

SIR, India Office, 1st March, 1933.

I AM directed by the Secretary of State for India to transmit to you, for the information of the Under-Secretary of State, Colonial Office, a copy of correspondence on the subject of the triennial review of Aden divisible expenditure.

I am, &c.,
S. F. STEWART.

Reference to previous correspondence: Letter to the India Office of the 8th November, 1932.††

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* No. 5. † 17905/33 [No. 1]: not printed; and Nos. 7 and 8. ‡ Enclosure in No. 6.
§ No. 70. ‖ No. 7. ¶ No. 8. ** 17905/33 [No. 1]: not printed.
†† No. 40 in Middle East No. 34.

Enclosure in No. 11.

THE UNDER-SECRETARY TO THE GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT) TO THE CHIEF SECRETARY TO THE GOVERNMENT OF BOMBAY (POLITICAL DEPARTMENT).

New Delhi, 9th November, 1932.

Review of arrangement relating to the allocation of Aden divisible expenditure for the triennium ending 31st March, 1933.

WITH reference to the correspondence ending with endorsement from the Government of India in the Foreign and Political Department, No. F. 349-N/29, dated the 20th June, 1932, I am directed to forward a copy of the communications* noted below and to request that with the permission of His Excellency the Governor in Council, the Government of India may be favoured with the views of the Government of Bombay on the India Office letter of the 27th September, 1932.

2. The Government of Bombay are being addressed in this case, as during the greater portion of the triennium under review, Aden was under the administrative control of the Government of Bombay. A separate reference to the Chief Commissioner is also being made, but the Government of Bombay will also doubtless communicate with the Chief Commissioner, if necessary.

THE UNDER-SECRETARY TO THE GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT) TO THE CHIEF COMMISSIONER, ADEN.

New Delhi, 9th November, 1932.

Subject:—Review of arrangement relating to the allocation of Aden divisible expenditure for the triennium ending 31st March, 1933.

I AM directed to forward a copy of correspondence noted in the attached list† and to say that the Government of India would be glad to have your views urgently on the India Office letter No. A.G. 9675/32 M.I., dated the 27th September, 1932.

THE CHIEF COMMISSIONER, ADEN, TO THE SECRETARY TO THE GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT), NEW DELHI.

Aden, 3rd December, 1932.

Subject:—Review of arrangement relating to the allocation of Aden divisible expenditure for the triennium ending 31st March, 1933.

I HAVE the honour to refer to your letter No. F. 353-N/32, dated the 9th November, 1932, forwarding copies of correspondence between the India Office, Colonial Office, Government of India and the Government of Bombay, on the subject noted above, and asking for my views on the India Office letter No. A.G. 9675/32 M.I., dated the 27th September, 1932.

2. In reply I have the honour to state that the existing agreement with the Colonial Office relating to the allocation of divisible expenditure at Aden appears to have worked satisfactorily, and the only modifications required are those mentioned in the India Office letter referred to above with the following additions. These refer to expenditure in connexion with the posts of :—

Confidential Branch.

(1) Asst. Confl. Clerk (Mr. M. C. Ferram — Scale of pay Rs. 85—5—100. Present pay Rs. 90/-

Arabic Branch.

(2) Clerk (Mr. Ali Abdalla Maddi) — Scale of pay Rs. 40—5—80—7—150. Present pay Rs. 101/-.

These two clerks were working in the Confidential and Arabic Branches respectively prior to 1927 and are still doing so, and their salaries are borne wholly by the Government of India.

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* 1. Letter from the Accountant-General, Bombay, No. D.A.I. 29-Aden/231, dated the 25th April, 1931. 2. Letter to the India Office No. F.349-N/29, dated the 28th May, 1931. 3. Letter from the India Office No. A.G.8097, dated the 23rd July, 1931. 4. Letter from the India Office No A.G.9675/32, M.I., dated the 27th September, 1932.

† Not printed.

3. I am of opinion that the pay of No. (1) should be allocated in the same manner as that of the Confidential Clerk, *i.e.*, ¾ political and ¼ civil, and that of No. (2) should be borne wholly by His Majesty's Government as in the case of the rest of the staff of the Arabic Branch.

4. The Resident's Gig mentioned under Item No. 15 (Contingencies) of the Schedule accompanying Colonial Office letter, dated the 21st August, 1930,* has been abolished. It should therefore be omitted from the schedule.

THE CHIEF SECRETARY TO THE GOVERNMENT OF BOMBAY (POLITICAL DEPARTMENT) TO THE POLITICAL SECRETARY TO THE GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT).

Bombay Castle, 23rd December, 1932.

Subject:—Divisible Aden Expenditure: Review of arrangement relating to—.

WITH reference to the Foreign and Political Department letter No. F/353-N/32, dated 9th November last, I am directed to state that the Governor in Council sees no objection to the arrangement at present in force for the allocation of the divisible expenditure at Aden being renewed at the end of the current financial year, nor to inclusion in the new agreement with the Colonial Office, of the items which have cropped up after the terms of the present arrangement were settled, or are likely to come into existence in the near future A list† of such items is enclosed herewith.

In this connexion, I am also to refer to the Chief Commissioner's letter No. C/675, dated the 3rd instant, in paragraphs 2 and 3 of which the following two items for inclusion in the new agreement are suggested :—

(1) Assistant Confidential Clerk—¾ Political, ¼ Civil.
(2) Clerk (Arabic Branch)—wholly Political.

In the absence of any explanation for the omission to include these two items in the present agreement, the Governor in Council is not in a position to say whether, or not, these could rightly be included now. In any case, the cost of the entire Arabic branch is "political" and the question of charging the pay of a particular clerk to the Colonial Office hardly arises.

I am to add that the items "Reservist" and "Resident's gig" should disappear from the new agreement.

17924/33 [No. 2].

No. 12

INDIA OFFICE to COLONIAL OFFICE.

[*Answered by No.* 14.]

India Office, S.W.1, 30th May, 1933.

SIR,

WITH reference to your letter dated 7th May, 1931,‡ regarding the allocation of certain divisible expenditure at Aden as from 1st April, 1930, and recent demi-official correspondence concerning the renewal of the existing agreement from the 1st April, 1933, I am directed by the Secretary of State for India in Council to forward herewith a copy of a letter of that date on the subject from the Government of India and to state that he is in agreement with the proposals contained therein, subject to the following observations on the third paragraph :—

(iii) *Civil Hospital, Aden, Civil Surgeon* —The exclusion of all expenditure connected with the appointment from the divisible expenditure accounts in consequence of the recent agreement of His Majesty's Government to make a lump sum contribution in respect of the Hospital is already receiving attention, vide the letter dated 27th April, 1933, from this Office. The adjustment of the contribution might, it is considered, be suitably effected outside these accounts.

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* No. 28 in Middle East No. 34. † Not printed. ‡ No. 36 in Middle East No. 34.

(iv) *Telephone Charges.*—The contribution of Rs 1,000 referred to included Rs. 310 allocated to the Aden Police (Temporary Force) which has been excluded in recent years from the divisible expenditure accounts in consequence of adjustment in the accounts of that formation. The correct figure is therefore Rs. 690.

(viii) *Assistant Confidential Clerk, Confidential Branch.*

(ix) *Clerk, Arabic Branch.*—The existing agreement provides for the allocation of expenditure as stated, but there has been failure to apply it in these two instances. It is presumed in the circumstances that your Department will agree to the rectification of this error as from the 1st April, 1930.

(xi) *Water supplied to the Chief Commissioner and his Personal Assistant.*—This is a fresh item, the proposed allocation of the cost of which follows that of the emoluments of these officers.

2. In connexion with item (iii) it will be observed that the reference in the list accompanying the letter dated 23rd December, 1932, from the Government of Bombay to the Government of India at (2) is to the cost of water supplied to the Civil Surgeon and Establishments, *i.e.*, those of the Residency and Treasury Offices, which was reproduced from the letter from this Office to the Government of India on the question of the renewal of the existing arrangement. The Government of India, however, connect the latter with the Civil Surgeon.

3. The necessary modifications in the statement showing the basis of allocation of divisible expenditure, a copy of which formed one of the enclosures to your letter dated 11th September, 1930,* may be summarized as in the statement enclosed.

4. The revised allocation will, as previously agreed, apply until the 31st March, 1936, subject to the same understanding regarding reconsideration as before.

5. I am to ask that Sir Philip Cunliffe-Lister's concurrence therein may be advised as soon as possible.

I am, &c.,
J. C. STIBBS.

Enclosure 1 in No. 12.

THE FOREIGN SECRETARY TO THE GOVERNMENT OF INDIA TO THE UNDER-SECRETARY OF STATE FOR INDIA, ACCOUNTANT-GENERAL'S DEPARTMENT, INDIA OFFICE.

New Delhi, 1st April, 1933.

SIR,

Review of Aden divisible expenditure.

WITH reference to the correspondence ending with the letter from the India Office, No. A.G.9675/32 M.I., dated the 24th November, 1932, I am directed to refer to the correspondence† noted below, copies of which were forwarded with Foreign Secretary's weekly letter No. 20 M., dated the 9th February, 1933, and to forward a copy of a further letter on the subject from the Chief Commissioner, Aden, No. C/103, dated the 18th February, 1933.

2. I am to say that the Government of India agree that the arrangement with the Colonial Office relating to the allocation of divisible expenditure at Aden, which has hitherto been found satisfactory, may be renewed for a further period of three years, *i.e.*, from 1st April, 1933, to 31st March, 1936, subject to such modifications as have been necessitated in the light of subsequent developments. These modifications are dealt with below item by item.

3.—(i) *Post of Stenographer in the Residency.*—The Government of India agree that this item, the cost of which is divisible in moieties between His Majesty's Govern-

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* No. 32 in Middle East No. 34.

† Letter to the Government of Bombay No. F. 353/N., dated the 9th November, 1932. Letter to the Chief Commissioner, Aden No. F.353-N/32, dated the 9th November, 1932. Letter from the Chief Commissioner, Aden, No. C/675, dated the 3rd December, 1932. Endorsement to the Chief Commissioner, Aden, No. F.353-N., dated the 6th January, 1933. Letter from the Government of Bombay, No. 5865-III-D., dated the 23rd December, 1932.

ment and the Government of India—*vide* India Office letter No. A.G.8097, dated the 23rd July, 1931—may now be included in the arrangement.

(ii) *Reservist.*—The Government of India agree that this may now be excluded from the arrangement.

(iii) *Civil Hospital, Aden, Civil Surgeon, cost of water supplied to him and his establishment and rent and sanitary taxes paid on his behalf.*—It is proposed that His Majesty's Government should pay a lump annual contribution of £1,500 per annum for three years from 1931, subsequent arrangements being considered in 1933.

(iv) *Telephone charges.*—His Majesty's Government having already agreed to contribute Rs. 1,000 a year towards the Aden telephone system—*vide* India Office letter No. P.4086/30, dated the 10th July, 1930—this may be included in the new arrangement.

(v) *Allocation of rent in respect of the Aden Residency, &c.*—The Government of India have dropped this question for the present.

(vi) *Extra Assistant Commissioner (formerly Deputy Assistant Resident).*—The Government of India agree that this is purely a civil charge and hence wholly debitable to them. Being a civil charge this should not be included in the arrangement.

(vii) *Aide-de-Camp.*—The Aide-de-Camp is now replaced by Personal Assistant. The latter performs the duties of Aide-de-Camp and such additional duties as the Chief Commissioner may from time to time assign to him. There should be no change in incidence—*vide* paragraph 4 of Aden letter No. C/103, dated the 18th February, 1933.

(viii) *Assistant Confidential Clerk, Confidential Branch (Mr. M. C. Ferram).*—As three-fourths of the cost of the Confidential Branch is debitable to His Majesty's Government, three-fourths of the cost of this post is also chargeable to them. His Majesty's Government may therefore be requested to accept the debit commencing from the 1st April, 1930. The cost has so far been met by the Government of India.

(ix) *Clerk, Arabic Branch (Mr. Ali Abdalla Maddi).*—The entire cost of the Arabic Branch being debitable to His Majesty's Government, the whole cost of this post is chargeable to them. His Majesty's Government may therefore be asked to accept the debit, commencing from 1st April, 1930.

(x) *Resident's Gig.*—This may now be excluded from the arrangement—*vide* paragraph 4 of Aden letter No. C/675, dated the 3rd December, 1932.

(xi) *Cost of water supplied to the Chief Commissioner and his Personal Assistant.*—This should be divisible in moieties between His Majesty's Government and the Government of India—*vide* letter from the Government of Bombay No. 5865-III-D., dated the 23rd December, 1932.

I have, &c.,
V. NARAHARI RAO
(for Foreign Secretary to the Government of India).

THE CHIEF COMMISSIONER, ADEN, TO THE SECRETARY TO THE GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT), NEW DELHI.

18th February, 1933.

Aden Divisible Expenditure.

I HAVE the honour to refer to your Memorandum No. F.353-N/32, dated the 6th January, 1933, forwarding copies of correspondence between the Colonial Office and the India Office on the subject noted above, and inquiring whether I have any further observations to make with reference to Colonial Office letter dated 8th November, 1932* and my letter No. C/675 dated the 3rd December, 1932.

2. In reply I have the honour to offer the following observations on paragraphs 2, 3 and 4 of the Colonial Office letter.

3. The duties which the Extra Assistant Commissioner performs at present are purely civil ones connected with the Administration of Aden, and therefore the whole of this officer's emoluments are chargeable to the Government of India.

4. The Personal Assistant has replaced the Aide-de-Camp. He performs, in addition to the duties of the Aide-de-Camp, such duties as the Chief Commissioner may from time to time allot to him, and which at present comprise magisterial work and the work of Passport Officer. I consider that the proportion in which it was agreed that the emoluments of the post of Aide-de-Camp

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* No. 40 in Middle East No. 34.

should be divided between Indian and Imperial Revenues can suitably be applied in the case of the post of Personal Assistant.

5. No other apportionments except those in respect of the Confidential and Arabic Branches mentioned in paragraphs 2 and 3 of my letter C/675 dated the 3rd December, 1932, need revision as a result of the reorganization introduced by the Government of India.

Enclosure 2 in No. 12.

MODIFICATIONS IN STATEMENT SHOWING BASIS OF ALLOCATION OF DIVISIBLE EXPENDITURE.

1. *Resident.*—Under (*d*) Cost of Passages insert " Each Government bears the cost of passage of its own officer on appointment and relinquishment. No leave passage contribution is levied in the case of an Indian Service officer."
2. *Reservist.*—To be omitted.
3. *Aide-de-Camp.*—Title now " Personal Assistant."
5. *Civil Surgeon.*—To be omitted.
7. *Residency Office.*—Renumber existing item (3) as (4) and insert as (3):—
" Stenographer (*a*) Pay . . . . . ½
(*b*) Pension . . . . . ½ of appropriate rates."
9. *Leave Salaries.*—Substitute for existing entry " 2/9th of actuals."
12. *Travelling Allowances of Establishments.*—Ditto.
13. *Passage Concessions to Superintendent and Establishments.*—*Ditto.*
14. *House Rent.*—Insert " Stenographer . . . . . ½."
15. *Contingencies.*—Resident's gig to be omitted.
Insert "*Free Water supplied.* Allocation to follow that applicable to pay of personnel involved.

Telephones Contributions of Rs. 690 p.a."

17924/33 [No. 7].

No. 13

TREASURY to COLONIAL OFFICE.

(S. 21238/02/2.)

SIR, Treasury Chambers, 4th July, 1933.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Cowell's letter of the 22nd June, 1933,* and the accompanying copy of a letter† from the India Office on the subject of the proposed basis of allocation of certain expenditure in Aden for the period of three years from 1st April, 1933, to 31st March, 1936.

My Lords note that the modifications and additions now proposed to the basis of allocations approved by Treasury Letter of the 28th August, 1930,‡ have, in almost every case, already been agreed to and that Sir Philip Cunliffe-Lister sees no grounds on which any objection can be raised to the proposals now submitted by the Secretary of State for India.

In reply I am to request you to convey to the Secretary of State for the Colonies Their Lordships' sanction to these proposals, including the acceptance of the arrears charges from 1st of April, 1930, in respect of the Assistant Confidential Clerk and the Clerk in the Arabic Branch. My Lords agree that, subject to minor alterations, the basis now approved may be adhered to for the three years to 31st of March, 1936, provided that during that period the existing relations between His Majesty's Government and Aden continue.

I am, &c.,
R. V. NIND HOPKINS

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* 17724/33 [No. 3] : not printed. † No. 12. ‡ No. 30 in Middle East No. 34.

17924/33 [No. 8].

No. 14.

COLONIAL OFFICE to INDIA OFFICE.

SIR, Downing Street, 14th August, 1933.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to your letter of the 30th of May* regarding the basis of allocation of certain divisible expenditure at Aden, and in reply, to request you to inform Secretary Sir Samuel Hoare, that the Lords Commissioners of the Treasury have now sanctioned the acceptance of the proposals in the above letter including the acceptance of certain arrears charges from 1st of April, 1930, in respect of the Assistant Confidential Clerk, and the Clerk in the Arabic Branch. Their Lordships also agree that subject to minor alterations which may subsequently be agreed upon the basis now approved may be adhered to for the three years to 31st of March, 1936, provided that during that period the existing relations between His Majesty's Government and Aden continue.

I am, &c.,
H. R. COWELL.

(ii) Miscellaneous : Police Buildings, Civil Hospital, and Income Tax.

C. 97896/32 [No. 16].

No. 15

MR. F. J. HOWARD (COLONIAL OFFICE)
to
MR. W. R. L. TRICKETT (TREASURY).

DEAR TRICKETT, Downing Street, 7th January, 1933.

MANY thanks for your letter, No. S. 37467 of the 19th of December,† in which you set out the conclusions tentatively reached on the various Aden subjects discussed at our informal meeting on the 16th of December. We have taken up the Income Tax point with the Air Ministry, and will let you know the result as soon as possible.

We, for our part, are prepared to accept the proposals made under the Heads (1) Civil Hospital, and (2) Police, in your letter, as a result of which the following charges will have to be met from our 1932 Vote :—

Civil Hospital. (*a*) Net maintenance charges at £1,500 each year for 1931 and 1932 = £3,000. Provision exists in the current year's Estimates for this.
(*b*) Capital charges 40 per cent. of capital expenditure in 1931 and 1932, *i.e.*, Rs. 81,400 = £2,442.

This figure is the correct one, not £2,412 quoted in your letter, which was based on total capital charges for 1931 and 1932, amounting to Rs. 80,400. The latter figure should be Rs. 81,400 (see first enclosure‡ to my letter of the 22nd of March§).

Existing Police Buildings used by Permanent Armed Police. Three years' rental for 1930 to 1932 inclusive at £500 per annum = £1,500.

The additional expenditure involved by these proposals, namely, £3,942, can be met from savings this year.

Subject to the acceptance of the proposals by the Government of India, provision will be made in the Estimates for 1933 for £1,500 in respect of the Civil Hospital, and £500 in respect of the Police Buildings.

Yours, &c.,
F. J. HOWARD.

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* No. 12. † No. 52 in Middle East No. 34. ‡ No. 44 in Middle East No. 34.
§ No. 46 in Middle East No. 34.

17946/33 [No. 1].

No. 16.

MR. C. N. RYAN (TREASURY)

to

MR. J. G. LAITHWAITE (INDIA OFFICE).

(Copy received in Colonial Office, 2nd February, 1933.)

(S. 37467.) Treasury Chambers, Whitehall, S.W.1,
1st February, 1933.

MY DEAR LAITHWAITE,

I AM now able to reply to your note of the 14th ultimo to Grieve with reference to three outstanding Aden points—Civil Hospital, Police Buildings, and Income Tax We have given further consideration to these matters and are now quite willing to settle them on the lines discussed at your meeting with Trickett on the 16th December last. I set out the proposed arrangements in detail :—

1. *Civil Hospital.*—(*a*) We are prepared to pay in the current financial year the sum of £3,000 in respect of all arrears of our share of the running expenses.

(*b*) We will provide £1,500 in the year 1933 for this purpose.

(*c*) The arrangements for 1934 to be considered during 1933.

(*d*) We are prepared to accept 40 per cent. of the capital expenditure in 1931 and 1932 amounting in all to £2,442, and we will pay this sum in the current financial year in full settlement of all arrears under this heading.

(*e*) We raise no objection to the retention by India of the whole of the receipts, by the Indian Government in respect of expenditure at Aden.

2. *Police Buildings.*—(*a*) We are prepared to pay in the current financial year the sum of £1,500 in respect of all arrears due for the use of these buildings.

(*b*) We are prepared to pay a sum annually of £500 commencing in 1933 for so long as the present conditions regarding the use of the buildings, continue.

3. *Income Tax.*—(*a*) The Government of India to grant exemption from Indian Income Tax to all British personnel serving at Aden whose pay is provided from the United Kingdom Exchequer.

(*b*) If exemption is granted, we will allow a credit of £500 in the contribution paid by the Indian Government in respect of expenditure at Aden.

We should of course much prefer that any settlement now reached, which, of course, would be subject to review in the event of any material change in the arrangements regarding Aden, should be a comprehensive one and should cover all outstanding points, including not only those in which we are going a long way to meet the views of the Government of India, but also the remaining one on which the initial move in regard to a settlement rests with the Government of India. We appreciate, however, that at the India Office you are not in a position to give a binding undertaking on the Income Tax point, but in all the circumstances and in full reliance on your co-operation in settling the whole matter, we are prepared to go ahead with a settlement on the Civil Hospital and Police Buildings in advance of the decision on the Income Tax. We trust, however, that you will do your best to get this outstanding point settled as soon as possible on the basis provisionally agreed.

Yours, &c.,
C. N. RYAN.

17946/33 [No. 2].

No. 17

MR. J. G. LAITHWAITE (INDIA OFFICE)

to

MR. R. A. GRIEVE (TREASURY).

(Copy received in Colonial Office, 10th March, 1933.)

MY DEAR GRIEVE, India Office, S.W.1, 9th March, 1933.

I WRITE with reference to Ryan's demi-official letter to me of 1st February,* No. S.37467, and to our telephone conversation of this morning about the disputed items of Aden expenditure to enclose copy of the Government of India's reply to the reference which we made to them consequent on Ryan's letter.

Their suggestion in the case of the Civil Hospital is, I think, reasonable, and the amount which would fall on Imperial revenues, were it accepted, is small. We hope, therefore, that you will be able to agree to it. As you will see, the Government of India undertake that no further capital expenditure will be sanctioned in future years, beyond the existing commitments, without the prior concurrence of His Majesty's Government and the settlement of apportionment.

In the case of the police buildings you will see that the Government of India are also prepared to accept, but subject to certain understandings, the compromise suggested. As regards the first of the qualifications they propose the original arrangements agreed between our Departments (see India Office letter to the Colonial Office of 18th October, 1929,† and Colonial Office reply of the 21st November, 1929,‡ were to the effect that His Majesty's Government would have a reversionary interest in the buildings provided at a capital cost to Imperial revenues of Rs. 37,805 for the Interim Force and subsequently taken over by the armed section of the Permanent Force in the event of their ever being employed for purposes other than those of the armed police. We have never regarded the prospect of this reversionary interest becoming a live matter as very great, and I hope that you will not see difficulty in accepting the Government of India's suggestion on this point.

As regards their further proposal under this head that they should have freedom to regulate not only the amount but the rate of expenditure on any further buildings which may be required for the Aden police during the next few years in the circumstances which they describe. I shall be glad of your views. If the Treasury feel any difficulty in accepting the Government of India's proposal, as it stands, possibly we can devise some formula which would meet the case.

From the third paragraph of the Government of India's telegram you will see that they have agreed to a settlement of the income tax question of the nature which the Treasury were anxious to secure. May we assume that a payment will be made under this head in respect of the current year?

I am sending a copy of this letter to Cowell.

Yours, &c.,
J. G. LAITHWAITE.

Enclosure in No. 17.

GOVERNMENT OF INDIA (Foreign and Political Department) to INDIA OFFICE.

(Received 7.5 a.m., 7th March, 1933.)

TELEGRAM.

7th MARCH. 217-N. Your telegram dated 20th February, No. 445. Aden expenditure.

As regards Civil Hospital, we accept the settlement proposed by the Treasury, but trust that His Majesty's Government will also pay 40 per cent. of any capital expenditure which may be incurred in the years 1933-34 and 1934-35 as part of the programme already sanctioned in 1930 and 1931 for improvement to Civil Hospital. The total of this expenditure, including departmental charges, is estimated at Rs. 24,000, of which Rs. 16,000 will be spent in 1933-34 and Rs. 8,000 in 1934-35, and His Majesty's

* No. 16. † No. 269 in Middle East No. 22. ‡ No. 277 in Middle East No. 22.

Government's share at 40 per cent. will amount approximately to Rs. 6,400 in 1933-34 and Rs. 3,200 in 1934-35 or to £720 in all. No further capital expenditure will be sanctioned in future years beyond the existing commitments without the prior concurrence of His Majesty's Government and settlement of apportionment.

2. As regards police buildings, while regretting the offer falls short of our just demands, we are prepared, in order to terminate this long standing case, to accept the suggested compromise on the understanding that His Majesty's Government waives all claims to be reimbursed expenditure incurred by them for building(s) used for Interim Force, amounting approximately to Rs. 37,000, and for equipment of that Force since transferred to Permanent Force, and that we should have freedom to regulate not only amount but rate of expenditure on any further building(s) which may be required for Aden police force during the next few years, as we cannot reasonably be expected to incur further capital outlay, when decision as to future administration of Aden is uncertain.

3. As regards income tax, we propose not to issue any notification under Section No. 60, but will accept lump sum payment of £500 a year, as full payment on account of Indian income tax due to us.

17946/33 [No. 3].

No. 18.

MR. J. H. E. WOODS (TREASURY)

to

MR. K. W. BLAXTER (COLONIAL OFFICE)

(S.37467). Treasury Chambers, S.W.1, 22nd March, 1933.

DEAR BLAXTER,

I ENCLOSE a copy of my letter to Laithwaite about Aden disputed expenditure, which we discussed yesterday.

Would you make arrangements for the current year payments agreed in Ryan's letter to Laithwaite of 1st February* (of which a copy was sent to Howard), plus the £500 to which I have agreed in respect of income tax to be paid over to India Office forthwith? There is not much time before 31st March.

The income tax £500 is to take the form of a refund to India of part of her Aden contribution, *i.e* , it must be charged to Appropriations-in-Aid.

Sooner or later we must have all these arrangements regularized by official correspondence.

Yours, &c.,
J. H. E. WOODS.

Enclosure in No. 18.

(S 37467). Treasury Chambers, S.W.1, 21st March, 1933.

MY DEAR LAITHWAITE,

WE have considered your letter of the 9th March† about the disputed items of Aden expenditure.

We are prepared to accept the suggestion of the Government of India in the case of the civil hospital, *i.e.*, we will pay 40 per cent. of any capital expenditure which may be incurred in the years 1933/34 and 1934/35 as part of the programme already sanctioned in 1930 and 1931 on the understanding that no further capital expenditure will be sanctioned without the prior concurrences of His Majesty's Government, and a settlement of the apportionment.

As regards police buildings, you will remember that the original agreement provided that His Majesty's Government would have a reversionary interest in the accommodation in the event of its being employed for purposes other than those of the armed police. We are content to agree that we will not claim on India to be reimbursed our original capital expenditure if these buildings are transferred to other purposes. But I assume that we are not being asked to surrender entirely our reversionary interest and that, in fact, the buildings will remain the property of His Majesty's Government. In the unlikely event of the buildings being used for other purposes,

* No 16. † No. 17.

we ought to be entitled to ask that some rental contribution should be paid to us, if the circumstances justify it. Moreover I think it is reasonable to suggest that we ought now to receive some form of rental contribution in respect of the present use of these buildings by the police, just as we are paying a rental contribution to India in respect of their buildings which are being similarly used on a proportionate basis. Such a contribution should be about £100 a year, according to my calculations. If this were agreed our net payment to India would be £400.

As regards the further proposal as to the control of expenditure on any new buildings required for the police, we find some difficulty in accepting what we take to be the Government of India view. We should be prepared to agree that minor works up to, say, 3,000 rupees cost should be undertaken by the Government of India without reference to us, but we think that beyond some such limit as this, we ought to be consulted; we can assure the Government of India that we will arrange to deal with urgent proposals with the greatest expedition.

Finally, as regards income tax, we had not contemplated making this arrangement effective until the financial year 1933-34. We have made provision accordingly in the Estimates for that year for an abatement by £500 of the Government of India's contribution in respect of Aden. But in order to secure a final and complete settlement of this problem we should be willing to make a contribution in respect of the current year; and we will accordingly arrange for £500 to be refunded from the Government of India's contribution to Aden expenses for 1932-33.

If, as I have suggested above, the net contribution becomes £400 and not £500 we can adjust matters next year.

Yours, &c.,
J. H. E. WOODS.

J. G. Laithwaite, Esq.,
India Office.

17946/33 [No. 4].

No. 19.

MR. J. G. LAITHWAITE (INDIA OFFICE)

to

MR. J. H. E. WOODS (TREASURY).

(Copy received in Colonial Office 27th March, 1933.)

[*Answered by No.* 20.]

India Office, S.W.1, 25th March, 1933.

MY DEAR WOODS,

MANY thanks for your letter of 21st March,* No. S. 37467, about the disputed items of Aden expenditure.

2. We note that the Treasury are prepared to accept the Government of India's proposals in regard to the Civil Hospital and that case may therefore be regarded as now satisfactorily disposed of.

3. As regards Police Buildings, we appreciate the force of the arguments you advance and we are quite prepared to put them to the Government of India. At the same time, I should like to point out that while we have agreed to deal with the three questions in issue independently and not as part of a general settlement, the settlement reached as regards Police Buildings, though we recognize that it represented a very reasonable compromise, is not wholly satisfactory from the point of view of the Government of India, and as you will see from their telegram of 7th March† they have accepted it without enthusiasm. While recognizing the logic of the Treasury suggestion that if the Government of India are to receive a rental for their buildings used by forces to the cost of which the Imperial Government contributes the converse arrangement should operate, we feel that the Government of India may be disposed to suggest at this stage that it represents a modification to their disadvantage of an agreement already unsatisfactory from their point of view which was not contemplated when the original proposals were put to them and which substantially reduces the value so far as they are concerned of the compromise which those proposals represent.

4. We should much prefer, in these circumstances, particularly in view of the present position of the general question of the transfer of Aden to drop the proposal

* Enclosure in No. 18. † Enclosure in No. 17.

that India should be required to pay a rental of £100 a year in respect of buildings constructed at the cost of His Majesty's Government. Matters might be different were it probable that existing arrangements would continue for a considerable number of years, but as you know that is not the present position and we trust, therefore, that in the light of what I have said, you may be prepared to modify your proposals on this point.

5. As regards income tax the position is a little difficult. The provisional settlement suggested in Ryan's letter to me of 1st February,* was based on informal discussion between the Colonial Office, Trickett and myself. I think I made it clear in this discussion that we did not know what steps, in fact, the Government of India had taken to recover income tax from British personnel serving at Aden and liable to double income tax, nor do we, in fact, at the moment know precisely what steps have been taken by them, but I do not think that in the discussion I had at any stage agreed or contemplated that there should be a complete write-off, nor did the Treasury proposal of 1st February either in Ryan's letter or in the form in which it was put forward by us to the Government of India cover this. Strictly speaking, exemption ought to run only in respect of any period in respect of which a counter-balancing contribution is made by the Imperial Government and we see some difficulty in these circumstances in giving you a firm undertaking that even in the event of the Imperial Government giving retrospective effect to the arrangement they suggest to the financial year 1932/33, all previous cases which might have arisen from 1927 onwards can be regarded as disposed of.

6. I think in the circumstances the best course would be to make a full explanation to the Government of India of the position and to say that the Treasury, being anxious to secure a final and complete settlement which would cover any outstanding cases, are willing to make their contribution retrospective to cover 1932/33, and enquire whether they are prepared to give the necessary assurance. While I do not wish in any way to link the question of the police buildings with that of income tax, I cannot help feeling that it might facilitate disposal of the income tax question on the lines which we all, I think, desire, if the Treasury were able to meet us as I have suggested above on the question of rent for the police buildings at Aden.

7. Meanwhile, we are provisionally claiming from the Treasury the amounts suggested in respect of the Civil Hospital, the Police Buildings and income tax in Ryan's letter of 1st February. I understand that you have no objection to our doing this with a view to obtaining the money in the present financial year, on the understanding that matters can be adjusted next financial year as may be necessary in the light of the outcome of the present discussion.

8. I am sending a copy of this letter to Cowell.

Yours, &c.,
J. G. LAITHWAITE.

17946/33 [No. 5].

No. 20

MR. J. H. E. WOODS (TREASURY)

to

MR. J. G. LAITHWAITE (INDIA OFFICE).

(Copy received in Colonial Office 1st April, 1933.)

DEAR LAITHWAITE, 29th March, 1933.

MANY thanks for your letter of the 25th March,† about Aden expenditure.

In view of what you say, and in deference to the argument that the proposals were not included in the original plan put to India, we are prepared to waive the suggestion of an immediate rental payment in respect of His Majesty's Government's buildings which are now being used for police purposes.

I do not suggest that this withdrawal should be made contingent upon a settlement, satisfactory to His Majesty's Government, of the income tax question. But we greatly hope that the Government of India will be prepared to waive all past claims for income tax in consideration of our paying £500 in respect of 1932-33. I am

* No. 16. † No. 19.

bound to add that I can hold out no hope at all of our agreeing to pay any income tax contribution in respect of earlier years.

It may be argued, I agree, that in logic the exemption of the United Kingdom personnel in Aden ought to run parallel with the contribution from His Majesty's Government. But I may be allowed to observe that in logic I ought to get a contribution in respect of my police buildings. As regards your final paragraph we agree that payment should be made in respect of the Civil Hospital, the police buildings and income tax on the lines agreed in Ryan's letter of the 1st February.* Payment will, however, be met by the Colonial Office from the Colonial and Middle Eastern Services Vote and not by the Treasury. I understand that in fact the Colonial Office have already made an advance to the India Office which covers these payments.

Yours, &c.,
J. H. E. WOODS.

17946/33 [No. 6].

No. 21.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 22.]

SIR, Downing Street, 26th April, 1933.

I AM directed to refer to Mr. Ryan's semi-official letter of the 1st February, 1933,* S. 37467, regarding, *inter alia*, the question of the proposed contribution by His Majesty's Government to the Government of India in respect of the expenditure on the Aden Civil Hospital, and to enclose herewith, to be laid before the Lords Commissioners of the Treasury, a draft of a letter† which it is proposed to address to the India Office on the subject.

I am to request that their Lordships may be moved to approve of the terms of this letter.

I am, &c.,
H. R. COWELL.

17946/33 [No. 7].

No. 22.

TREASURY to COLONIAL OFFICE.

(S. 37467.)

SIR, Treasury Chambers, 4th May, 1933.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Cowell's letter of the 26th April, 1933,‡ and the accompanying draft of a letter† which the Secretary of State proposes to address to the India Office on the subject of the contribution by His Majesty's Government to the Government of India in respect of the expenditure on the Aden Civil Hospital.

In reply I am to request you to inform the Secretary of State that My Lords concur in the terms of the draft letter.

I am, &c.,
R. V. NIND HOPKINS.

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* No. 16. † *See* No. 23. ‡ No. 21.

17946/33 [No. 8].

No. 23.

COLONIAL OFFICE to INDIA OFFICE.

[*Answered by Nos.* 36 *and* 39.]

Downing Street, 8th May, 1933.

SIR,

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to Mr. Ryan's letter to Mr. Laithwaite of the 1st of February, 1933,* S. 37467, regarding, *inter alia*, the question of the proposed contribution by His Majesty's Government towards expenditure on the Aden Civil Hospital, and to request you to inform Secretary Sir Samuel Hoare that, with the concurrence of the Lords Commissioners of the Treasury, he agrees that the following sums may be paid by His Majesty's Government :—

(*a*) £3,000 in respect of His Majesty's Government's share of all recurrent expenses to 31st March, 1933, £1,500 for 1933-34 and thereafter the contribution to be subject to reconsideration. It is understood that the above contributions will cover the contribution previously made by His Majesty's Government in respect of the share (one-fifth) of the cost of the Civil Surgeon (*vide* Colonial Office letter of 11th September, 1930)† for the period from 1st April, 1931, and that the necessary adjustments will be credited to His Majesty's Government in the quarterly accounts submitted to the Colonial Office.

(*b*) A sum of approximately £2,442, being 40 per cent. of the capital expenditure on the hospital in the years 1931-32 and 1932-33 (this contribution to be in final settlement of His Majesty's Government's liability for a share of the capital expenditure to 31st March, 1933) and a further sum equivalent to 40 per cent. of the capital expenditure in the years 1933-34 and 1934-35, which forms part of the programme of capital expenditure sanctioned in 1930 and 1931. His Majesty's Government's liability under this latter head is estimated to amount to £720. In view of the above payments, it is understood that no further capital expenditure will be sanctioned in the future beyond existing commitments without the prior concurrence of His Majesty's Government, and a settlement as to the proportion of the expenditure to be borne by that Government.

It is agreed that, in view of the amount of the receipts by the hospital from patients, &c. (estimated at approximately £300 per annum), His Majesty's Government will make no claim for any share of those receipts.

So far as the above contributions have matured by 31st March, 1933, they have been covered by advances made prior to that date by the Colonial Office to the India Office in respect of Aden expenditure, and subject to the agreement of the Government of India in the above arrangements, credit will be allowed to the India Office in the books of the Colonial Office, 1932-33, for the sum of £3,000 in respect of (*a*) above. As regards (*b*) above, it would be appreciated if a statement of the capital expenditure in question to 31st March, 1933, bearing the audit certificate of the Accountant-General, Bombay, could be forwarded to this Department in due course and in any case not later than the 30th September next. On receipt of this certificate credit will be allowed to the India Office in the books of the Colonial Office, 1932-33, of 40 per cent. of such expenditure.

I am, &c.,
H. R. COWELL.

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* No. 16. † No. 32 in Middle East No. 34.

17905/33 [No. 6].

No. 24.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 25.]

Downing Street, 15th May, 1933.

SIR,

I AM directed by Secretary, Sir Philip Cunliffe-Lister, to refer to Mr. Ryan's semi-official letter of 1st February, 1933,* (S.37467), regarding *inter alia*, the question of payment to the Government of India by His Majesty's Government of rent in respect of those buildings existing prior to the reorganization of the Aden police force and now occupied by the armed section of that force, and to enclose herewith, to be laid before the Lords Commissioners of the Treasury, a draft of a letter† which it is proposed to address to the India Office on the subject.

2. I am to request that their Lordships may be moved to approve of the terms of this letter. In particular I am to inquire whether their Lordships concur in the terms of paragraphs 2 and 3 of the draft letter, which deals with the question of His Majesty's Government continuing to maintain an interest in those buildings adapted at the cost of United Kingdom funds for use by the interim armed police section but now used by the permanent force, and with the question of His Majesty's Government's interest in the equipment purchased for the interim armed police section at a cost to United Kingdom funds of Rs. 15,489. In this connexion I am to refer to paragraph 2 of the telegram from the Government of India of 7th March, 1933, enclosed in Mr. Laithwaite's letter to Mr. Grieve of the 9th of March last.‡

3. As regards the question of the Government of India being given freedom to regulate the amount and rate of expenditure on any further buildings which may be required for the Aden Police Force during the next few years, I am to request that their Lordships may be moved to state whether they wish that any condition as to limit of expenditure should be proposed or whether they would prefer that the matter should be further explored in semi-official correspondence. It would appear from the Government of India telegram referred to above that that Government has in mind a restriction of such expenditure in the future.

I am, &c.,
H. R. COWELL

17905/33 [No.7].

No. 25.

TREASURY to COLONIAL OFFICE.

(S.37467.)

Treasury Chambers, 31st May, 1933.

SIR,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Cowell's letter of the 15th May, 1933§ and the accompanying draft of a letter† which it is proposed to address to the India Office on the subject of payment to the Government of India by His Majesty's Government of rent in respect of those buildings existing prior to the reorganization of the Aden police force and now occupied by the armed section of that force.

In reply I am to request you to inform the Secretary of State that My Lords concur in the terms of the draft letter.

As regards the question of the Government of India being given freedom to regulate the amount and rate of expenditure on any further buildings which may be required for the Aden police force during the next few years, I am to say that My Lords would be prepared to agree that minor works within a limit of, say, 3,000 rupees should be undertaken by the Government of India without reference to Them, but They would desire to be consulted should any more important works be necessary. They suggest, however, that it will be convenient to deal with this matter by semi-official correspondence in due course.

I am, &c.,
R. V. NIND HOPKINS.

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* No. 16. † *See* No. 30. ‡ No. 17. § No. 24.

17946/33 [No. 10].

No. 26.

INDIA OFFICE to GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT).

(Copy received in Colonial Office 12th June, 1933.)

[*Answered by No.* 33.]

India Office, S.W.1, 6th April, 1933.

SIR,

I AM directed by the Secretary of State to refer to correspondence ending with the Government of India's telegram dated 7th March last* on the subject of Aden expenditure and to say that the points therein raised have been under discussion with the Lords Commissioners of His Majesty's Treasury.

2. As regards the Civil Hospital, the Treasury agree, as proposed by the Government of India, to pay 40 per cent. of any capital expenditure which may be incurred in the years 1933-34 and 1934-35 as part of the programme already santioned in 1930 and 1931 for the improvement of the hospital, but on the understanding that no further capital expenditure will be sanctioned in future years beyond the existing commitments without the prior concurrence of His Majesty's Government and settlement of apportionment. The Secretary of State noted that the share of the expenditure now accepted which will fall on His Majesty's Government at 40 per cent. will amount approximately to Rs.6,400 in 1933-34 and Rs.3,200 in 1934-35, or £720 in all

3. As regards the Police Buildings, the Treasury are prepared to agree that they will not claim to be reimbursed from Indian revenues capital expenditure amounting to Rs.37,005 originally incurred from Imperial revenues, if these buildings are transferred to other purposes. They have, however, stated that they assume that they are not being asked to surrender entirely their reversionary interest and that, in fact, the buildings built at the cost of Imperial revenues will remain the property of His Majesty's Government and they have urged that in the unlikely event of those buildings being used for some other purpose they ought to be entitled to ask that some rental contribution should be paid if circumstances justify it. They have, in fact, suggested that it would be not unreasonable that some form of rental contribution, say about £100 per annum, should be paid in respect of the present use of these buildings by the police, having regard to the fact that a corresponding rental contribution is being paid from Imperial revenues to the Government of India in respect of Indian Government buildings which are being similarly used. But in deference to representations by the Secretary of State they have agreed not to press this suggestion. The Secretary of State considers that in all the circumstances the view taken by the Treasury is reasonable and he trusts that the Government of India will be prepared to accept it.

4. The Treasury have indicated that they find some difficulty in accepting as it stands the further proposal put forward by the Government of India as to the control of expenditure on any new buildings required for the police. They are, however, prepared to agree that minor works up to, say, Rs.3,000 cost, should be undertaken by the Government of India without the prior concurrence of His Majesty's Government, but they consider that such concurrence ought to be obtained in expenditure beyond some such limit as this. Arrangements would be made to deal with urgent proposals put forward by the Government of India with the greatest expedition. The Secretary of State considers that an arrangement of this nature should work satisfactorily and will be glad to be informed that it is acceptable to the Government of India.

5. As regards income tax, the Secretary of State notes, with satisfaction, that the Government of India are prepared to accept a lump sum payment of £500 per annum as full payment on account of Indian income tax due to them from personnel, liable to double income tax and paid from the Imperial Exchequer, who are serving at Aden from time to time. The Treasury, after some discussion have now agreed to antedate their contribution of £500 per annum to the financial year 1932-33, on the understanding that this additional contribution shall be regarded as being in final and complete settlement and covering any outstanding cases. The Secretary of State regards the arrangement in question as satisfactory and he trusts that it will be acceptable to the Government of India. He will be glad of confirmation of their acceptance of it.

I am, &c.,
J. G. LAITHWAITE.

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* Enclosure in No. 17.

17946/33 [No. 11].

No. 27.

MR. J. G. LAITHWAITE (INDIA OFFICE)

to

MR. J. H. E. WOODS (TREASURY).

(Copy received in Colonial Office, 23rd June, 1933.)

India Office, S.W.1, 22nd June, 1933.

MY DEAR WOODS,

YOU will remember that consequent on your letter of 21st March,* No. 37467, about the disputed items of Aden expenditure, we wrote at some length to the Government of India discussing the compromise which had been arranged and asking for confirmation of their acceptance of it. We have now received from them the letter of which I enclose a copy. As you will see, they are prepared to agree on all points, including income tax, on the understanding that the general settlement covers their original proposal in regard to equipment transferred from the Interim to the Permanent Force.

2. You will remember that this was one of the proposals contained in paragraph 2 of the Government of India's telegram of 7th March,† of which a copy was sent to Grieve under my letter of 9th March.‡ While that letter was intended to cover it, I fear that, since it was in fact regarded as being of quite subordinate importance, I did not deal with it in any detail.

3. May we assume that the Treasury in fact accept the Government of India's proposal? You will remember that the position was that the whole cost of the temporary Armed Force, including its equipment, fell upon His Majesty's Government, but that it was also agreed that the Indian Governments concerned would give credit to His Majesty's Government, on the disbandment of the Temporary Force, for any serviceable equipment transferred from it for the use of the Permanent Force. So far as we can judge, there can be very little in it financially, though neither we nor the Colonial Office appear to have immediately available a statement of the total original expenditure; but its scale can be judged from the statement, of which I enclose a copy, sent me by Howard on the 20th June, 1929, giving the non-recurring cost of 100 Armed Police found for Aden from India (the Force was subsequently increased to 115) and I think it is fair to say that, on the information available to us here, the amount of the supplementary expenditure was relatively very small indeed. From the total shown in Howard's statement it is necessary for present purposes in the first place to deduct the cost of passages, ammunition and, say, half of miscellaneous items, and, secondly, to allow for depreciation. As the Force arrived at Aden on the 18th January, 1929, and was only finally disbanded in March, 1932 (though the process of disbandment had been going on for a year previously) the depreciation is likely to have been fairly substantial.

4. I am sending a copy of this letter to Cowell.

Yours, &c.,
J. G. LAITHWAITE.

Enclosure 1 in No 27.

THE GOVERNMENT OF INDIA to INDIA OFFICE.

Aden Expenditure.

Simla, 23rd May, 1933.

SIR,

WITH reference to the correspondence ending with the letter from the India Office No. P.Z.1843/33, dated the 6th April, 1933,§ I am directed to say that the Government of India agree to the suggestions made therein, on the understanding that His Majesty's Government have also accepted the Government of India's proposal in regard to the equipment transferred from the *interim* to the permanent force, as contained in paragraph 2 of their telegram No. 217-N, dated the 7th March, 1933.

I have, &c.,
V. NARAHARI RAO,
(for Foreign Secretary to the Government of India).

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* Enclosure in No. 18. † Enclosure in No. 17. ‡ No. 17. § No. 26.

Enclosure 2 in No. 27.

STATEMENT OF NON-RECURRING COST OF 100 ARMED POLICE FOR ADEN FROM INDIA.

		Rs.
Original issue of uniform and accoutrements at Rs. 70 per man ...		7,000
Rifles, 100 at Rs. 43		4,300
Practice and reserve ammunition, 200 rds., each at Rs. 50 per	1,000	1,000
Revolvers, 2 at Rs. 120		240
Original passages, Karachi to Aden, 2 second-class at Rs. 280 ...		560
100 deck at Rs. 96		9,600
Miscellaneous items		say 2,000
		say 24,700
Barrack accommodation		30,240
Total ...		55,000
		= £4,200

17946/33 [No. 12].

No. 28

MR. J. H. E. WOODS (TREASURY)

to

MR. H. R. COWELL (COLONIAL OFFICE).

(S. 37467.)

DEAR COWELL, Treasury Chambers, S.W.1, 24th June, 1933.

WILL you please refer to Laithwaite's letter to me of the 22nd June* (a copy of which he sent to you) on the subject of the compromise with the Government of India on the disputed items of Aden expenditure.

As regards the equipment transferred from the interim to the permanent police force—the exact cost of this equipment does not seem to be known. Your official letter of the 15th May, 1933† refers to " equipment purchased for the Interim armed police section at a cost to United Kingdom funds of Rs. 15,489."

Howard's statement of the 20th June, 1929,‡ of which Laithwaite encloses a copy, shows Rs. 24,700 for uniform, rifles, ammunition, passages, &c., for 100 police and Rs. 30,240 for barrack accommodation. Laithwaite points out, however, that the cost of passages, ammunition, &c., must be deducted; and, when allowance has been made for depreciation, it seems clear that if a claim were made on India, it could only be for a very small amount.

In the circumstances we do not wish to let this matter stand in the way of a settlement with India on the general question.

I see that the point is dealt with in paragraph 3 of your draft official letter to the India Office, which you sent us for concurrence on the 15th May. The line you take on equipment follows that taken on buildings, and this seems to us quite reasonable. Presumably you will now dispatch your letter to the India Office. Unless you have any further observations, I will write to Laithwaite on similar lines.

Yours, &c.,
J. H. WOODS.

* No. 27. † No. 24. ‡ Enclosure 2 in No. 27.

17946/33 [No. 13].

No. 29.

GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT)

to

CHIEF COMMISSIONER, ADEN.

(Copy received in Colonial Office 5th July, 1933.)

8th June, 1933.

Incidence of Service Costs as between His Majesty's Government and the Government of India on the Running of the Civil Hospital at Aden.

REFERENCE correspondence ending with your predecessor Sir Stewart Symes' letter No. A-531/6070, dated the 12th October, 1930,* a copy of which was received with the Bombay Government's letter No. 7312-C., dated the 2nd February, 1931.

2. It was suggested to His Majesty's Secretary of State for India that all expenditure connected with the Civil Hospital at Aden, whether of a recurrent or capital nature, should be shared by the Government of India and His Majesty's Government in the proportion of 3 :2 (Government of India 3 and His Majesty's Government 2), the existing contribution of 1/5th of the cost of the Civil Surgeon's post paid by His Majesty's Government being absorbed in the above contribution, and that all receipts should be shared between the two Governments likewise. His Majesty's Government have, however, agreed to make the following contributions :—

(i) A sum of £1,500/- per annum for the three years, 1931-32, 1932-33, and 1933-34, towards the recurrent expenditure; and

(ii) 40 per cent. of the capital expenditure on the hospital during the years 1931-32 and 1932-33 (£2,442/- approximately as anticipated) and also 40 per cent. of the capital expenditure (approximately £720) that will be incurred during 1933-34 and 1934-35 as part of the programme of the improvements already sanctioned. They have stipulated that beyond the existing commitments no further capital expenditure should be incurred in the future without their prior concurrence.

As regards receipts of the hospital from patients, &c., His Majesty's Government have agreed to the Government of India retaining the whole income.

3. The arrangements referred to above regarding recurrent expenditure will terminate in 1933-34, and the question of the amount of contribution thereafter from His Majesty's Government has to be referred to them for their reconsideration. His Majesty's Government's share of the actual capital expenditure incurred in 1931-32 and 1932-33 has also now to be intimated to them before the 30th September, 1933. The Government of India will be glad to have the actual expenditure including the departmental charges incurred in each of the years 1931-32 and 1932-33, and your proposals for the contribution that may be asked for from His Majesty's Government in subsequent years in respect of recurring expenditure, supported by actual receipts and expenditure of the hospital during the last three years. The probable expenditure during 1933-34 and 1934-35 on account of the programme of improvements to the hospital already sanctioned may also be intimated, together with departmental charges.

4. The statement of actual capital expenditure incurred during 1931-32 and 1932-33, inclusive of departmental charges, asked for in paragraph 3 above, may kindly be submitted through the Accountant-General, Bombay, as early as possible, to enable the Government of India to forward the audit certificate to the India Office for transmission to His Majesty's Government before the 30th September next.

V. NARAHARI RAO,
Additional Deputy Secretary to the Government of India.

* Enclosure in No. 41 in Middle East No. 34.

17905/33 [No. 11].

No. 30.

COLONIAL OFFICE to INDIA OFFICE.

SIR, Downing Street, 10th August, 1933.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to Mr. Ryan's letter of the 1st February, 1933,* to Mr. Laithwaite, regarding *inter alia*, the proposed payment of rent by His Majesty's Government in respect of buildings occupied by the armed section of the police force at Aden and to request you to inform Secretary Sir Samuel Hoare that, with the concurrence of the Lords Commissioners of the Treasury, it is agreed that the following payments shall be made :—

(*a*) £1,500 in respect of arrears of rent to 31st March, 1933, for those buildings existing prior to the reorganization of the police force and occupied by the armed section of that force.

(*b*) £500 per annum as from 1st April, 1933, so long as the present conditions regarding the use of the buildings continue. The above rental payments are in addition to the fixed contribution of £8,000 per annum made by His Majesty's Government towards the cost of the reorganized police force.

2. His Majesty's Government agree to abandon any claim for reimbursement of the original capital expenditure of Rs. 37,005 spent on the adaptation of buildings for use by the interim armed police. They agree, further to waive the question of charging the Government of India with rental in respect thereof, so long as these buildings continue to be used by the permanent police force. This arrangement would, however, be on the understanding that His Majesty's Government reserve the right to reopen the question of payment of rental if in the future the buildings concerned are used for other purposes.

3. As regards the question of His Majesty's Government's interest in the equipment purchased from United Kingdom funds for use by the interim armed police section, which equipment has subsequently been transferred for use by the permanent force, I am to state that it is agreed that in so far as this equipment is used by the permanent force, His Majesty's Government will raise no claim for refund of any part of the cost thereof, but should any part of the equipment be sold as surplus to requirements, the proceeds of the sale shall be credited to His Majesty's Government.

4. The above mentioned sum of £1,500 in respect of rent to 31st March, 1933, was covered by the imprest made to the India Office by the Colonial Office shortly before 31st March, 1933, and as it is now understood that the concurrence of the Government of India has been obtained to the above arrangements, credit will be allowed to the India Office in the books of the Colonial Office 1932-33 for that sum.

5. I am to add that on the question of the proposal by the Government of India as to the control of future expenditure on any new buildings required for the police, Sir Philip Cunliffe-Lister would be prepared to agree that minor works within a limit of, say, Rs. 3,000 should be undertaken without prior reference to this Department, but he would prefer to be consulted should any more important works be necessary, and he understands that the Government of India are agreeable to this.

I am, &c.,
H. R. COWELL.

* No. 16.

17946/33 [No. 14]. No. 31.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 21st August, 1933.)

(No. 192.)

SIR, The Residency, Aden, 9th August, 1933.

I HAVE the honour to forward for your information copies of correspondence which has been exchanged between the Government of India and this Residency on the subject of the future incidence of service costs, as between His Majesty's Government and the Government of India, on the running of the Civil Hospital at Aden.

I have, &c.,
R. S. CHAMPION,
Acting Resident, &c.

Enclosure in No. 31.

(No. 4935.)

Subject :—Incidence of service costs as between His Majesty's Government and the Government of India on the running of the Civil Hospital at Aden.

SIR, The Residency, Aden, 4th August, 1933.

I HAVE the honour to refer to your Express letter No. F. 153-A/33 dated the 8th June, 1933,* on the above subject, and to forward herewith two statements showing

(*a*) the actual capital expenditure, including departmental charges incurred on the Civil Hospital, Aden, in each of the years 1931-32 and 1932-33 and also the probable expenditure during 1933-34 and 1934-35 on account of the programme of improvements to the hospital already sanctioned together with departmental charges; and

(*b*) the actual receipts and expenditure of the hospital during the last three years.

2. As regards the question of the future incidence of recurring expenditure between His Majesty's Government and the Government of India, I attach a copy of a letter No. 834 dated the 24th June, 1933, from the Civil Surgeon, Aden, in which he proposes that the annual recurring expenditure of the hospital during future years should be shared equally by the two Governments.

3. The Civil Surgeon has based his proposal on an analysis of the total number of patients treated at the hospital from the Settlement and outside the Settlement, during the last three years; and the Civil Administrative Medical Officer concurs in his conclusions.

4. I recommend that the recurring expenditure on the Civil Hospital should be divided equally between His Majesty's Government and the Government of India for the next three years, or until the proposed transfer of the administration of Aden to the control of His Majesty's Government becomes effective, if within that period.

I have, &c.,
R. S. CHAMPION,
Acting Chief Commissioner.

The Secretary to the Government of India,
Foreign and Political Department,
Simla.

STATEMENT SHOWING CAPITAL EXPENDITURE ON CIVIL HOSPITAL, CRATER.

Year.	*Expenditure.*	*Departmental Charges.*	*Total.*
	Rs.	Rs.	Rs.
1931-32	19,779 15 0	... 4,846 1 0	... 24,626 0 0
1932-33	14,889 0 0	... 3,647 13 0	... 18,536 13 0
1933-34	27,100 0 0	... 6,639 8 0	... 33,739 8 0
1934-35	5,691 0 0	... 1,394 5 0	.. 7,085 5 0
Total	Rs. 67,459 15 0	... Rs. 16,527 11 0	... Rs. 83,987 10 0

J. V. ALEXANDER, M. Inst., C.E.,
Acting Chairman, Aden Port Trust.

N.B.—Figures for 1931-32 and 1932-33 are actuals and those for 1933-34 and 1934-35 are probables.

* No. 29.

STATEMENT SHOWING THE RECURRING EXPENDITURE INCURRED ON THE CIVIL HOSPITAL IN ADEN FROM THE YEAR 1930 TO 1933.

Year.	*Recurring Expenditure including pay of Officers and Establishment.*	*Actual Receipts.*	*Actual recurring expenditure after deducting the receipts.*	*Remarks.*
	Rs.	Rs.	Rs.	
1930–1931	57,674 13 0	4,083 15 0	53,590 14 0	
1931–1932	50,560 14 0	2,824 11 0	47,736 5 0	
1932–1933	52,290 14 0	3,835 12 0	48,455 2 0	

THE CIVIL SURGEON, ADEN TO THE ACTING RESIDENT.

24th June, 1933.

SUBJECT :—Incidence of service costs as between His Majesty's Government and the Government of India on the running of the Civil Hospital at Aden.

WITH reference to your No. 66/C, dated 21st instant, I have the honour to submit the following for your information :—

The recurring expenditure of the Hospital during the last three years, including pay of officers and establishment, has been :—

1930-31	Rs. 57,674 13 0
1931-32	Rs. 50,560 14 0
1932-33	Rs. 52,290 14 0

The actual receipts during these three years have been :—

1930-31	Rs. 4,083 15 0
1931-32	Rs. 2,824 11 0
1932-33	Rs. 3,835 12 0

Deducting the receipts from the total recurring expenditure of each year, the actual recurring expenditure for each year is as under :—

1930-31	Rs. 53,590 14 0
1931-32	Rs. 47,736 5 0
1932-33	Rs. 48,455 2 0

Average for the last three years Rs. 49,927 7 0.

The proportion of indoor patients of British Protectorate and Aliens as compared with British (Settlement) subjects during these years, is as under :—

	British Protectorate and Aliens.	*British (Settlement) Subjects.*
1930-31	500	747
1931 32	784	508
1932-33	632	794
Average for the last 3 years	638	683

Division of the average actual recurring expenditure of the last three years by the average proportion of patients according to their place of residence shows that the average expenditure on British Protectorate and Aliens was Rs. 24,113/- and that on the British (Settlement) subjects was Rs. 25,814/-, i.e., in the proportion of 4 :8 to 5 :2.

Basing my proposals on these figures, I submit that the annual expenditure on this Hospital be divided equally between His Majesty's Government and the Government of India.

17905/33 [No.14].

No. 32.

INDIA OFFICE

to

GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT).

(Copy received in Colonial Office 4th September, 1933.)

1st September, 1933.

YOUR letter of 23rd May,* Aden Expenditure.

2. His Majesty's Government have accepted your proposal in regard to equipment transferred from *interim* to permanent force in so far as equipment is actually used by permanent force (vide Colonial Office letter of 10th August,† copy sent by Air Mail of 12th August). Please confirm that if any part of equipment is sold as surplus proceeds will be credited to His Majesty's Government.

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* Enclosure 1 in No. 27

† No. 30.

17905/33 [No. 15].

No. 33.

GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT)

to

INDIA OFFICE.

(Copy received in Colonial Office 15th September, 1933.)

Dated Simla, 2nd September, 1933.

Delegation of Powers to the Chief Commissioner, Aden, in respect of P.W. Expenditure.

WITH the transfer of the administrative control of Aden from the Bombay Government to the Government of India, the Chief Commissioner, Aden, was delegated the powers of a " Minor " local Government under the Central Public Works Department Code, subject, however, to the condition that he would not exercise these powers in respect of expenditure on " original works " in the case of police buildings or in the case of any new buildings required solely in connexion with the political control of Aden and the Protectorate. These powers were delegated to the Chief Commissioner, when the question of divisibility of expenditure on police buildings at Aden was under correspondence with His Majesty's Government. The position has since changed in as much as the Government of India have now been authorized by His Majesty's Government to incur expenditure on police buildings up to a limit of Rs. 3,000/- without their prior concurrence—*vide* para. 4 of Mr. Laithwaite's letter dated the 6th April, 1933.* It is assumed that this limit of Rs. 3,000/- would apply to each work individually and not to minor works collectively, as in the latter event, the authority given to the Government of India by His Majesty's Government will be of little use. The Government of India will be glad if this is confirmed. It seems also desirable in view of the distance between Aden and Delhi or Simla, that the Chief Commissioner should be given some powers in respect of expenditure on minor original works connected with police buildings. Allowing for increases on account of unforeseen excesses in the estimates, it is proposed that the Chief Commissioner's powers be limited to Rs. 2,500/- for each minor work. The Government of India trust that this proposal will meet with the approval of His Majesty's Government.

17946/33 [No. 16].

No. 34.

GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT)

to

INDIA OFFICE.

(Copy received in Colonial Office 25th September, 1933.)

Simla, 11th September, 1933.

Capital expenditure on the Civil Hospital, Aden.

REFERENCE correspondence ending with Secretary of State's telegram No. 2171, dated the 2nd September, 1933.

2 A copy of the certified statement of the capital expenditure incurred on the Civil Hospital, Aden, during the years 1931-32 and 1932-33 has been furnished to the India Office under cover of Foreign Secretary's Air Mail letter No. 132 (A)-M,

* No. 26.

dated the 2nd September, 1933. The expenditure, including departmental charges, during these two years is as follows :—

Year.	Expenditure.	Departmental charges.	Total.
1931-32 ...	Rs.19,779 15 0	Rs.4,846 1 0	Rs.24,626 0 0
1932-33 ...	Rs.14,889 0 0	Rs.3,647 13 0	Rs.18,536 13 0
Total ...	Rs.34,668 15 0	Rs.8,493 14 0	Rs 43.162 13 0

3. 40 per cent. of the total capital expenditure during the last two years comes to Rs.17,265/2/-, or £1,294 17s. 8d., is payable by His Majesty's Government as against a sum of £2,442 estimated previously. The smaller expenditure in these two years will be somewhat counter-balanced by an increase in later years, although it now appears probable that the aggregate expenditure on the scheme and in consequence. the share of His Majesty's Government will be less than originally forecasted. A further communication will be made on the probable recoveries for 1933-34 and 1934-35 after the Chief Commissioner's estimates are scrutinized.

4. The points raised in paragraphs 3-4 of the Chief Commissioner's letter of the 4th August, 1933, regarding the contribution for the recurring expenditure on the Aden Civil Hospital in future will form the subject of a separate communication

V. NARAHARI RAO,
Additional Deputy Secretary to
the Government of India

17905/33 [No. 16].

No 35.

MR. J. G. LAITHWAITE (INDIA OFFICE)
to
MR. J. H. E. WOODS (TREASURY)

(Copy received in Colonial Office 26th September, 1933)

MY DEAR WOODS, India Office, S.W.1, 25th September, 1933.

WITH reference to previous correspondence between us about the disputed items of Aden expenditure and in particular your letter of 21st March,* No. S.37467, I write to enclose copy of an express letter† which has been received from the Government of India.

2. May we take it that the Treasury agree with the Government of India's construction of the statement in your letter of 21st March that " minor works up to, say, 3,000 rupees cost should be undertaken by the Government of India without reference to us," and do you see any objection to their proposal that the Chief Commissioner should be given powers in respect of expenditure on minor *original* works connected with police buildings subject, with a view to allowing for increase on account of unforeseen excesses in the estimates, to a limit of Rs. 2,500 in the case of any individual minor work? I may say that we here had no intention of differentiating between original and non-original works, and we had read the sanction given in your letter of 21st March as covering both alike. I imagine that this was also the assumption underlying the Treasury sanction, and that you will see no difficulty in accepting the present proposal.

3. I am sending a copy of this letter to Cowell.

J. G. LAITHWAITE.

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* Enclosure in No. 18 † No. 33.

17946/33 [No. 17].

No. 36

INDIA OFFICE to COLONIAL OFFICE.

[*Answered by No.* 41]

SIR, India Office, S.W.1, 4th October, 1933.

WITH reference to your letter dated the 8th May, 1933,* I am directed to prefer a claim for £1,294 17s. 8d. (Rs.17,265/2) being 40 per cent. of the total capital expenditure incurred on the Civil Hospital, Aden, during the years 1931-32 and 1932-33, and to request that this sum may be placed to the credit of the Secretary of State in Council of India in the books of your Department (1932-33)

Particulars of the expenditure will be found in the Express Letter (Air Mail) from the Government of India, No F.153-A/33 dated 11th September, 1933,† a copy of which was forwarded to your Department under No. P.Z.5957/33 on the 22nd September.

The Government of India has been asked to arrange for a definite certificate, in original, in relation to the capital expenditure in question, to be furnished as early as possible for transmission to your Department.

I am, &c.,
. . . .
for Accountant-General

17905/33 [No. 17].

No. 37.

MR. K. W. BLAXTER (COLONIAL OFFICE)
to
MR. J. H. E. WOODS (TREASURY.)

[*Answered by No.* 40.]

DEAR WOODS, Downing Street, S.W.1, 10th October, 1933

WE have received from the India Office a copy of Laithwaite's letter to you of the 25th of September‡ regarding Aden police buildings. Perhaps, therefore, I had better let you know our reactions so that you can reply and avoid a three cornered correspondence. I must confess I find the correspondence a little difficult to follow

The proposals in the Government of India's express letter of 2nd September, 1933§ appear to be that the Chief Commissioner should be allowed discretion to spend up to Rs. 2,500 on *each* minor original work (His Majesty's Government's liability being 29 per cent. thereof) in place of the limit of Rs. 3,000 proposed by you. Whether that limit was originally intended to be in respect of *each* work or in respect *of annual* expenditure on all new works it is I think for you to say. The limit of Rs. 2,500 now proposed appears to refer to actual expenditure as opposed to estimated expenditure (*vide* penultimate sentence in Government of India's letter) but the phrase in the 9th line of the second paragraph of Laithwaite's letter—" with a view to allowing, etc." does not seem to be quite in accord with this.

There is the further proposal in Laithwaite's letter that he thinks that " non-original minor works " should also come within the above arrangements. If by that phrase, day to day repairs are meant, we should have thought that these were covered by His Majesty's Government's rent contribution of £500 per annum.

Yours, &c.,
K. W BLAXTER.

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* No. 23. † No. 34. ‡ No 35. § No 33.

17905/33 [No. 19].

No. 38.

THE GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT).

to

INDIA OFFICE.

(Copy received in Colonial Office 14th October, 1933.)

Simla, 29th September, 1933.

YOUR express letter (Air Mail) dated 1st September, 1933,* Aden Expenditure. The suggestion that if any part of equipment is sold as surplus, proceeds will be credited to His Majesty's Government is accepted.

17946/33 [No.18].

No. 39.

INDIA OFFICE to COLONIAL OFFICE.

[*Answered by No.* 41.]

SIR, India Office, S.W.1, 27th October, 1933.

WITH reference to Colonial Office letter of 8th May, 1933,† on the subject of the contribution of His Majesty's Government towards expenditure on the Aden Civil Hospital, I am directed by the Secretary of State for India to refer to paragraph 3 of the Government of India's Express Letter of 11th September, 1933,‡ a copy of which was enclosed with India Office printed letter No. P.Z.5957/33, dated 22nd September, 1933 from which it will be seen that the actual liability of His Majesty's Government in respect of capital expenditure on the hospital during the years 1931-32 and 1932-33 is less than the amount previously estimated by over £1,000 but that the smaller liability for these years will be somewhat counterbalanced by an increase in later years, though it is anticipated that the total share of His Majesty's Government will now be less than originally forecasted.

2. Subject to the modification noted above to which it is assumed that the Secretary of State for the Colonies will see no objection, I am now to express agreement in the arrangements set forth in your letter under reference, and in this connexion I am to refer to paragraph 1 of the Government of India's telegram of 7th March, 1933, No. 217-N,§ a copy of which was sent to Mr. Cowell under No. P.Z.1323/33, of 10th March.

I am, &c.,
J. G. LAITHWAITE

17905/33 [No. 21].

No. 40.

MR. C. N. RYAN (TREASURY)

to

MR. K. W. BLAXTER (COLONIAL OFFICE.)

(S.37467.)

DEAR BLAXTER, Treasury Chambers, S.W.1, 29th October, 1933.

THANK you for your letter of the 10th instant‖ on Police Buildings at Aden. I now enclose a copy of my reply to Laithwaite.

Yours, &c.,
C. N. RYAN.

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* No. 32. † No. 23. ‡ No. 34. § Enclosure in No. 17. ‖ No. 37.

Enclosure in No. 40

(S 37467)

DEAR LAITHWAITE, 29th October, 1933

Aden Police Buildings.

I AM sorry you have not had an earlier reply to your letter of the 25th September* to Woods on this subject.

We agree that the limit of 3,000 rupees within which the Government of India may undertake minor works without reference to us applies to each work individually and not to minor works collectively.

We also agree that the authority covers *original* works. I take it that the intention of the Government of India is that we shall not be consulted on minor works expected to cost up to 3,000 rupees but that India will give the Chief Commissioner at Aden a general authority to undertake works up to an *estimated* cost of 2,500 rupees only. Provided the estimate is not exceeded by more than 500 rupees it will still be unnecessary for the Government of India to consult us. We have no objection to these arrangements.

The only point that puzzles us is the class of works that come under the heading of "non-original." The Colonial Office suggest, and we agree, that if day-to-day repairs are meant one would expect these to be covered by our rent contribution of £500 per annum. Such repairs would then be India's sole liability and there would be no question of our authority being required.

I am sending a copy of this letter to Blaxter of the Colonial Office.

Yours sincerely,

J. G. Laithwaite, Esq.,
India Office.

17946/33 [No. 19].

No. 41.

COLONIAL OFFICE to INDIA OFFICE.

SIR, Downing Street, 6th November, 1933.

I AM directed by Secretary Sir Philip Cunliffe-Lister to acknowledge the receipt of your letter of the 27th October, 1933,† expressing agreement to the terms of Colonial Office letter of the 8th May, 1933,† with regard to the contribution of His Majesty's Government towards expenditure on the Aden Civil Hospital, and to inform you that the sum of £3,000 in respect of His Majesty's Government's share of recurrent expenses to the 31st March, 1933, together with the sum of £1,294 17s. 8d. claimed in India Office letter of the 4th October, 1933,§ in respect of 40 per cent. of the total capital expenditure during the years 1931-32 and 1932-33, is accordingly being credited to the India Office in the books of the Department in part adjustment of advances on account of Aden expenditure.

2. The Secretary of State will, however, be glad to receive at an early date the statement of capital expenditure incurred on the hospital bearing an audit certificate by the Accountant-General, Bombay, which, it is noted from your letter of the 4th October, the Government of India have already been asked to furnish.

I am, &c.,
V. H. BOYSE.

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* No. 35. † No. 39. ‡ No. 23. § No. 36.

17905/33 [No. 22].

No. 42.

MR. J. G. LAITHWAITE (INDIA OFFICE)

to

MR. C. N. RYAN (TREASURY).

(Copy received in Colonial Office 27th November, 1933.)

DEAR RYAN, India Office, S.W.1, 23rd November, 1933.

MANY thanks for your letter of the 29th October,* No. S.37467, the disposal of which has, I fear, been delayed by pressure of more urgent work.

2. I enclose a copy of a letter which we have sent to the Government of India. I will let you know as soon as we receive their reply.

3. I am sending a copy of this letter to Blaxter.

Yours, &c.,
J. G LAITHWAITE.

Enclosure in No. 42.

DEAR FRASER-TYTLER, India Office, S.W.1, 24th November, 1933.

WITH reference to the Government of India's express letter dated 2nd September,† on the subject of the delegation of powers to the Chief Commissioner at Aden in respect of public works expenditure, I enclose for the information of the Government of India copy of a letter‡ from the Treasury from which you will see that they agree that the limit of Rs. 3,000 within which the Government of India may undertake minor works without prior Treasury concurrence applies to each work individually and not to minor works collectively, and that the authority in question covers original works (we assume that " original " in this connexion is defined as laid down in paragraph 52 of which a copy is enclosed of the Central Public Works Department Code). Would you kindly confirm that the intention of the Government of India in the matter is as stated in paragraph 3 of the letter from the Treasury?

2. As regards the fourth paragraph of the Treasury letter we should be glad of your observations. Day-to-day repairs, if this is what the Government of India have in mind, would in our view more appropriately be offset against the Imperial Government's annual lump sum contribution of £8,000 than against the rent contribution of £500. But in either event we are disposed to think that the repairs are (subject to such financial contribution as is indirectly made by the Imperial Government through the lump sum contribution or the annual rent) wholly an Indian liability, and that no question of prior Treasury sanction for them would arise. Perhaps you would let us know whether you agree?

Yours, &c.,
J. G. LAITHWAITE.

Major W. K. Fraser-Tytler, C.M.G., M.C.,
Deputy Secretary to the Government of India,
Foreign and Political Department.

EXTRACTS FROM CENTRAL PUBLIC WORKS DEPARTMENT CODE.

SECTION IV—WORKS.

A.—*Classification of the Operations of the Public Works Department.*

52. The operations of the department are divided primarily into two categories, original works and repairs, the first including new works, alterations, additions and purchases, the second repairs and maintenance. For the purpose of this rule, all work necessary to bring into use newly purchased or previously abandoned buildings falls in the first category.

Note 1.—When a portion of an existing structure is to be dismantled and replaced, if the cost of such replacement represents a genuine increase in the permanent value

* Enclosure in No. 40. † No. 33. ‡ No. 40.

of the property as an asset, the work should be classed as original work, the cost (which should be estimated if not known) of the portion replaced being credited to the estimate for " original work " and debited to " repairs." In all other cases, the whole cost of the new work should be charged to " repairs."

Note 2.—The capital value of any portion of a building which is abandoned or dismantled without replacement should be written off the total capital value of the building as recorded in the books.

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3. ESTABLISHMENT.

(i) Appointment of Political Secretary.

C. 97863/32 [No. 41].

No. 43.

MR. J. C. WALTON (INDIA OFFICE)

to

MR. H. R. COWELL (COLONIAL OFFICE).

[*Answered by No.* 45.]

India Office,
MY DEAR COWELL, Whitehall, S.W.1, 2nd January, 1933.

MANY thanks for your letter (to Laithwaite who is away at present) of the 6th December,* about the appointment of Protectorate Secretary at Aden.

2. We concur in the Colonial Office view of the position and agree that, as Champion's term of office is not due to expire until next October, it is unnecessary for the moment to consider Reilly's proposals for the succession to him. When the time for Champion's relinquishment draws a little closer we will ask the Government of India for their views on the succession, and the question of selection can then be considered further by our two Departments in the light of whatever views they may express.

Yours, &c.,
J. C. WALTON.

C. 97863/32 [No. 44].

No. 44.

INDIA OFFICE to COLONIAL OFFICE.

India Office, Whitehall,
SIR, London, S.W.1, 4th January, 1933.

I AM directed by the Secretary of State for India to forward for the information of the Secretary of State for the Colonies copy of a letter dated 1st December, from which it will be seen that the Government of India agree to the reservations made by the Colonial Office as set out in Colonial Office letter dated 25th July last,† in connexion with future arrangements for the filling of the post of First Assistant Resident (now Political Secretary) at Aden.

I am, &c.,
J. C. WALTON.

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* C. 97863/32 [No. 36] : not printed. † No. 79 in Middle East No. 34.

Enclosure in No. 44.

SIR, New Delhi, 1st December, 1932

Changes in the establishment at Aden consequent on the abolition of the post of First Assistant Resident, Aden.

WITH reference to the correspondence ending with the India Office letter dated the 27th October, 1932, I am directed to say that the Government of India agree to the reservations made by the Colonial Office as contained in their letter dated the 25th July, 1932, for the acceptance of the proposals of the Government of India as detailed in their Foreign and Political Department letter dated the 15th February, 1932.

I have, &c.,
H. A. F. METCALFE,
Offg. Foreign Secretary to the Government of India.

His Majesty's Under-Secretary of State for India,
India Office, London.

C. 97863/32 [No. 43].

No. 45.

MR. H. R. COWELL (COLONIAL OFFICE)

to

MR. J. C. WALTON (INDIA OFFICE).

[*Answered by No.* 17913/33 [No. 2].]

MY DEAR WALTON, Downing Street, 7th January, 1933.

WITH reference to your letter of the 2nd January,* I enclose an extract from a letter which I have received from Reilly discussing the procedure for the appointment of a Political Secretary at Aden when Champion's term expires.

You will see that Reilly contends that the principle of alternation will be most conveniently observed by the appointment of a Colonial Service officer in succession to Champion, in view of the fact that Reilly's own term does not expire until 1936. His proposal is, therefore, possibly at variance with the suggestion made in my letter to Laithwaite of the 6th December,† but on consideration of the dates I think he probably suggests the best solution of the difficulty. As I said in that letter, the principle of alternation in the two posts of Resident and Political Secretary cannot well be observed without some overlapping.

If we should agree to accept the Resident's proposal for the appointment of Lake, we should apparently start to work the principle of alternation in a manner very convenient for future vacancies, so far as can be foreseen.

I shall be obliged if you will bear Reilly's views in mind when the time comes to fill the vacancy.

Yours, &c.,
H. R. COWELL

Enclosure in No. 45.

[C. 97863/32 [No. 42].

EXTRACT FROM A LETTER FROM LIEUTENANT-COLONEL B. R. REILLY (RESIDENT, ADEN) TO MR. H R. COWELL (COLONIAL OFFICE) DATED 21ST DECEMBER, 1932.

* * * * * * * * * *

MY own appointment as Resident dates from April, 1931, and is for a period of five years. In the normal course it will therefore not terminate until April, 1936; and, as I am an Officer of the Indian Political Department, I consider that the Political Secretary who will succeed Champion next October ought to be a Colonial Service

* No. 43. † C. 97863/32 [No. 36] : not printed.

officer. It is for this reason, among others, that in my despatch No. 136 dated 20th July, 1932, I have recommended the appointment of Lake, who is at present in Colonial Service employment. If he holds the post for three years from October, 1933, his tenure will terminate in 1936—the same year as that in which my appointment will come to an end. It will then be possible to arrange for the appointment of a Colonial Service officer as Resident and of an Indian Service officer as Political Secretary, which will fulfil the object of the principle of alternation as originally proposed.

An alternation of the appointment of Political Secretary without reference to the tenure of the Resident's appointment may result in both the Resident and the Political Secretary belonging simultaneously to the same Service. This would defeat the principle of alternation and would, in my opinion, have nothing to commend it. I intend to represent my view on this subject when I go to Delhi on duty next month, and I hope that you will agree that the principle that I am advocating is the right one.

* * * * * * * * * * *

17913/33 [No. 2].

No. 46.

MR. J. C. WALTON (INDIA OFFICE)

to

MR. H. R. COWELL (COLONIAL OFFICE).

India Office,

MY DEAR COWELL, Whitehall, S.W.1, 19th January, 1933.

MANY thanks for your letter of the 7th January,* about the procedure for the appointment of a Political Secretary at Aden on the expiry of Champion's term.

We are inclined to agree that, for the reasons given by Reilly, his proposal may, subject to the Government of India's views, prove to be the best solution of the difficulty, and he will no doubt take the opportunity of his visit to Delhi this month to discuss it informally with the authorities there A decision need not be taken at this stage, but we will certainly bear the point in mind when the time comes.

Yours, &c.,
J. C. WALTON.

17913/33 [No. 17A].

No. 47.

THE CHIEF COMMISSIONER, ADEN,

to

THE GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT).

TELEGRAM.

(Copy received in Colonial Office 12th May, 1933.)

[*Answered by No.* 48.]

5th APRIL. Your telegram dated 21st March, 1933. It will not be convenient for Lake to undertake duties of District Magistrate as well as of Political Secretary in addition to his own duties and I therefore wish to appoint Rivett Carnac District Magistrate on my departure on 19th April. Creation of post of Civil Secretary removes necessity of giving work of District Magistrate to Political Secretary. Civil Secretary being officer trained in Indian Magisterial work is now more suitable for it. I therefore consider change which I now propose should be made permanent and that special arrangements sanctioned in Government of India letter, dated 15th April, 1933, be modified First Assistant to the Resident was formerly District Magistrate without additional pay, but Civil Secretary will ordinarily be much more Junior Officer with

* No. 45.

comparatively small pay, and I therefore recommend half special pay of Rs.200 a month sanctioned for Political Secretary under that arrangement be transferred to Civil Secretary as allowance for additional work as District Magistrate. Political Secretary will still be associated with civil adminstration in other respects and should therefore retain half special pay. Champion agrees. Request approval.

17913/33 [No. 17 B].

No. 48.

THE GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT)

to

THE CHIEF COMMISSIONER, ADEN.

TELEGRAM.

(Copy received in Colonial Office 12th May, 1933.)

12th APRIL. Your telegram dated April 5th.* No objection to proposed transfer of duties of District Magistrate to your Civil Secretary Rivett Carnac. Question of sanctioning this arrangement as permanent measure and of grant to Civil Secretary of half of special pay drawn by Political Secretary is still under consideration and will have to be referred to Secretary of State for India.

17913/33 [No. 18 A].

No. 49.

GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT)

to

INDIA OFFICE.

(Copy received in Colonial Office 12th June, 1933.)

[*Answered by No.* 50.]

Simla, 11th May, 1933.

REFERENCE correspondence ending letter from India Office dated 21st April, 1933.

2. In the circumstances explained by Chief Commissioner, Aden, Government of India agree that the Civil Secretary, Aden, may be permanently entrusted with the duties of District Magistrate hitherto done by Political Secretary and that half special pay of Rupees, two hundred *per mensem*, sanctioned for Political Secretary, *vide* your telegram 775 dated 10th March, 1932, be transferred to Civil Secretary as special pay for this additional work from the date this arrangement has been made. Your sanction is requested by telegram.

Correction to Superior Civil Service Rules will be suggested in due course

R. R. BURNETT,
Under Secretary to the Government of India.

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* No. 47.

17913/33 [No. 18 B].

No. 50.

INDIA OFFICE

to

THE GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT)

TELEGRAM.

(Copy received in Colonial Office 12th June, 1933.)

8th JUNE. 1421. Your express letter of 11th May.* Emoluments of Civil Secretary, Aden. Your proposals are sanctioned.

17913/33 [No. 24].

No. 51.

MR. J. G. LAITHWAITE (INDIA OFFICE)

to

MR. H. R. COWELL (COLONIAL OFFICE).

MY DEAR COWELL, India Office, S.W.1, 19th September, 1933.

I WRITE with reference to your letter of the 28th August† and to our telephone conversation of yesterday afternoon about the succession to Champion at Aden.

2. As I explained, we will try to consult the Government of India by this week's air mail, and, as you requested by telephone, will ask them for a telegraphic reply. There is, however, the following small point which we are anxious to clear up before approaching them.

3. The present arrangement (compare Colonial Office despatch No. 80 of 5th December, 1928,‡ to the Resident at Aden) is that Colonel Lake is serving as a Political Officer in the Aden Protectorate " for five years or until such date as it will be possible for Colonel Lake to retire on full pension. The annual contribution towards pension which will entitle Colonel Lake on or after January, 1935, to receive the pension to which he would, had he remained in the Indian Army, then be entitled will be paid from British funds." We understand that the date on which he would, in fact, become entitled to full pension is 9th January, 1934. If he were to retire we are advised that it is improbable that we could withhold any part of his pension, and it is conceivable that in these circumstances the Colonial Office might wish to reconsider the question of his total emoluments.

4. I enclose for your confidential information a note by our Financial Department on the subject, which is, I think, self-explanatory. Subject to your observations and to those of the Government of India we should, I think, on the whole be disposed to agree that the most equitable and the most satisfactory course from all points of view would be that Colonel Lake should continue on the Active List of the Indian Army in the event of his being appointed Political Secretary at Aden up to the age of compulsory retirement (55) or such date as his service under the Colonial Office is terminated, no claim from Indian revenues for a pension contribution being made after January, 1934, and Colonel Lake, while employed as Political Secretary and remaining on the Active List of the Indian Army, receiving the emoluments properly attaching to his post of Political Secretary only. Would you be so kind as to let me know whether you think this would be satisfactory from your point of view? If it is we will put it to the Government in consulting them on the question generally.

Yours, &c.,
J. G. LAITHWAITE.

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* No. 49. † No. 59. ‡ C. 59308/28 [No. 50] : not printed.

Enclosure in No. 51.

Note by Financial Department, India Office.

STRICTLY speaking, so long as an officer on loan to another Government remains on the active list, pension contribution is payable either by the borrowing Government or by the officer himself, but the fundamental rules, which might by analogy be applied to this case, provide for the waiving of pension contribution in special cases, and I think that a case like this, in which the officer has earned his maximum pension and has completed the period of service on which pension contribution is calculated, might be treated as a special case. Such of course would, from our point of view, be preferable to allowing Colonel Lake to retire—I don't think we can require him to retire as he has not yet reached the age for compulsory retirement.

If he were to retire I do not think it would be possible for us to withhold any part of his pension. It is true that a British Service Officer continuing in the Imperial Service and an Indian Officer continuing in Indian Service after reaching the age for compulsory retirement would not be allowed to draw pension until he finally leaves the Service. As regards officers transferring from the Imperial Service to Indian or Colonial Service, the rules made by the Treasury under Section 6 of the Superannuation Act, 1887, a copy of which will be found in Appendix I to the Royal Warrant for pay &c.. are relevant. It will be seen (paragraph 12) that in such a case the officer may draw so much of his retired pay as was earned before entering the Colonial Service, and the balance when he finally retires from the Colonial Service. As far as I know, however, no such rule exists in the converse case. On the other hand, the Colonial Office could undoubtedly take into consideration the fact that Colonel Lake was drawing an Indian pension, when fixing his pay as Political Secretary, Aden, and might very well stipulate that his total emoluments shall not exceed the normal pay of the post. (In this connexion apart from Colonel Lake's service in the Yemen Infantry, as to the incidence of which I am not quite clear, there were two occasions on which his services were borrowed by the Imperial Government and a non-effective charge in respect of these two periods will fall on the War Office.) I should think that the most equitable course is to continue Colonel Lake in the service and for India to make no claim to a pension contribution after January, 1934. Colonel Lake will not suffer as his alternative to appointment as Political Secretary on these terms is pension or unemployed pay. The Colonial Office would save the pension contribution, while Indian revenues would save a pension charge for so long as Colonel Lake remains in the appointment.

17913/33 [No. 26].

No. 52.

MR. J. C. WALTON (INDIA OFFICE)

to

MAJOR W. K. FRASER-TYTLER (FOREIGN SECRETARY TO THE GOVERNMENT OF INDIA).

(Copy received in Colonial Office 25th September, 1933.)

[*Answered by No.* 53.]

MY DEAR FRASER-TYTLER, India Office, S.W.1, 22nd September, 1933.

WOULD you kindly refer to the demi-official correspondence ending with Laithwaite's letter to Metcalfe, of 23rd February last, on the subject of the procedure for the appointment of a Political Secretary at Aden.

2. The result of that correspondence was that we accepted the Government of India's view that since the post of Resident would be held by an Indian Service Officer up to 1936, the successor to Champion should be drawn from the Colonial Service. The fact that it is proposed to separate Aden is, as the Colonial Office point out in their letter of 28th August* enclosed, a further strong argument for appointing a man with local experience rather than a newcomer. In all the circumstances we would now propose, if the Government of India see no objection, to accept the recommendation of the Resident and of the Colonial Office that Lieutenant-Colonel

* No. 59.

Lake should be appointed to succeed Champion when the latter vacates towards the end of this year. We should be grateful if you would let us know whether the Government of India agree.

3. On the question of terms you will see from the Colonial Office letter of 28th August that they enquire whether we are prepared to agree to the terms proposed in the Resident's despatch No. 136 of 20th July, 1932.* The emoluments in question will be found entirely from Imperial revenues, with the exception of the special pay of Rs. 100 *per mensem* admissible from Indian revenues under the arrangements approved in correspondence ending with the Secretary of State's telegram No. 1421 dated 8th June, 1933,† and the Secretary of State as at present advised has no comment to offer on them, though he will welcome any observations which the Government of India may wish to make.

4. The question of Lieutenant-Colonel Lake's position in the Indian Army and the pensionary arrangements in his case in the event of his being selected for this post has been under consideration here. On this point I enclose copy of a demi-official letter dated 19th September, 1933,‡ to the Colonial Office, which is, I think, self-explanatory. The Colonial Office have informally intimated that an arrangement on the lines provisionally suggested in that letter would be acceptable to them, and I am now to enquire whether the Government of India, for their part, would be willing to accept it.

5. The Colonial Office, in view of the imminence of the vacancy, are pressing for a very early reply, and we should be grateful if the Government of India would telegraph their views. If the questions discussed in paragraphs 3 and 4 of this letter are likely to take time to consider, perhaps you could let us have a telegraphic reply at once on the point discussed in paragraph 2, leaving the views of the Government of India on the remaining points to follow.

Yours, &c.,
J. C. WALTON.

17913/33 [No. 28].

No. 53.

THE GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT)

to

INDIA OFFICE.

TELEGRAM.

(Copy received in Colonial Office 19th October, 1933.)

18TH OCTOBER. 2469. India Office letter 22nd September.§ Political Secretary at Aden. We agree that Lake should succeed Champion and have no comments to offer on terms proposed. In view of present uncertainty regarding future of Aden, we consider that Lake's appointment should be for three years only. Our observations on paragraph No. 4 will follow.

17913/33 [No. 29].

No. 54.

THE SECRETARY OF STATE to THE RESIDENT.

(Sent 3.45 p.m., 24th October, 1933.)

TELEGRAM.

No. 52. GOVERNMENT of India have agreed that Lake should succeed Champion.

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* No. 80 in Middle East No. 34. † No. 50. ‡ No. 51. § No. 52.

17913/33 [No. 32].

No. 55.

THE SECRETARY OF STATE to THE RESIDENT.

(No. 138.)

SIR, Downing Street, 10th November, 1933.

WITH reference to my telegram No. 52 of the 24th of October,* I have the honour to transmit to you, for your information, correspondence† on the subject of the appointment of Lieutenant-Colonel C. M. Lake, to succeed Mr. R. S. Champion, as Political Secretary at Aden. The actual terms upon which Lieutenant-Colonel Lake will be offered the appointment are under consideration.

I have, &c.,
P. CUNLIFFE-LISTER.

(ii) Remuneration of Political Secretary while acting as Resident and Chief Commissioner.

17913/33 [No. 7].

No. 56.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 57.]

SIR. Downing Street, 24th March, 1933.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to paragraph 3 of the letter from this Department of the 15th of February,‡ regarding the amount to be paid to Mr. Champion while acting as Resident and Chief Commissioner at Aden, during the latter's absence on leave and to state, for the information of the Lords Commissioners of the Treasury, that agreement has now been reached with the India Office as to Mr. Champion's emoluments during that period and I am to ask that the agreement on the following basis may now be submitted to Their Lordships for their approval

2. The Resident at Aden has been granted six months' leave under Indian Regulations on average pay for one month and nineteen days, and on half average salary for four months and eleven days. Hitherto, the officer acting as Resident during the latter's absence, has been the First Assistant Resident, an officer of the Indian Political Department whose substantive pay was considerably greater than that of the Protectorate Secretary. He was granted an acting allowance of Rs. 400 a month which, apart from the sumptuary allowance, raised his total emoluments (including overseas pay) to Rs. 3,100 or more a month, varying with his substantive pay in the Indian Political Department time-scale. Mr Champion's present salary and local allowance amounting to £1,000 per annum is equivalent to approximately Rs. 1,100 per month, and the addition of the acting allowance paid on previous occasions to the First Assistant Resident, of Rs. 400 per month will raise his emoluments (apart from the sumptuary allowance) to Rs. 1,500 a month, a sum which is far smaller than that drawn formerly by a First Assistant Resident in similar circumstances, and which is in the Secretary of State's opinion inadequate for the duties and responsibilities which the post of Chief Commissioner entail.

3. The Secretary of State accordingly has come to the conclusion, as a result of correspondence between this Department and the India Office, that a more equitable arrangement would be for Mr. Champion, who is a " Colonial Service " officer, to be paid, whilst acting as Chief Commissioner, on the basis set out in Colonial Regulation 62, except that, in view of Mr. Champion's present rate of pay as compared with that which would be drawn by an " Indian Service " officer acting as Chief Commissioner, the Secretary of State feels that the proviso in Colonial Regulation 62 as to the non-payment of any allowance whilst the Governor is absent on full pay leave, should be waived in the present case and Mr. Champion should receive during the whole of the period of his acting appointment half his present substantive salary (£1,000 less 10 per

* No. 54. † Nos. 51 and 52; and Enclosure in 17913/33 [No 31], not printed. ‡ No. 7.

cent.) and half the salary of a " Colonial Service " Chief Commissioner (£2,250—*vide* Treasury letter E.19172 of 5th March, 1928*—less 10 per cent.). In fact, he will be acting for an " Indian Service " Resident whose present salary is Rs. 3,000 plus £13 6s 8d. per month, less 10 per cent. or £2,574 per annum net, but the Secretary of State does not wish to ask for more than a moiety of the pay of a " Colonial Service " Resident.

4. Should the above proposal be approved the emoluments payable to Mr. Champion during the Resident's leave will be at the rate of £1,462 10s. 0d. per annum as follows :—

	£ s. d.	£ s. d.
Half Colonial Service Resident's salary of £2,250 per annum ... ... =	1,125	
Plus half Mr. Champion's salary of £1,000 per annum ... ... =	500	
		1,625 0 0
Less 10 per cent. ... ... =		162 10 0
		£1,462 10 0

and the *additional* amount receivable by Mr. Champion for six months will be £231 5s. 0d., *i.e.*, half the difference between £1,462 10s. 0d. and £1,000 (Mr. Champion's present emoluments including his local allowance of £100 per annum). Mr. Champion will in addition automatically draw the Sumptuary Allowance of Rs 500 *per mensem* attaching to the post of Resident, whilst so acting.

5. Their Lordships will observe that in paragraph 3 of the letter from this Department of the 15th of February, 1933, it was stated that a moiety of any *additional* payment to Mr. Champion would be borne by the Government of India. It has been the practice in the past that where an officer acted in a higher post in addition to performing the duties of his substantive post the basis of allocation as between the Government of India and His Majesty's Government of his substantive emoluments remained unchanged and the basis of allocation of any additional allowance be received followed that applicable to the emoluments of the higher post. The application of this practice in the present case would have resulted in an amount equal to the whole of Mr. Champion's substantive emoluments remaining as a charge against His Majesty's Government together with one-half of any additional sum received by him. The Government of India have, however, pointed out that as Mr. Champion will cease to perform the duties attaching to his substantive post, the above practice is hardly applicable to the present circumstances and have suggested that the allocation of such total emoluments as may be approved for Mr. Champion whilst acting as Chief Commissioner should follow that applicable to the emoluments of the latter post, *i.e.*, one-half of his total emoluments should be borne by the Indian Government and half by His Majesty's Government Their Lordships will observe that this is a fair proposal and one more favourable to His Majesty's Government than that suggested in Colonial Office letter of 15th February, 1933, referred to above.

6. I am to add that Mr. Champion's substantive post will during the above period be filled by Colonel Lake, Political Officer, whose emoluments are already borne in full on United Kingdom funds and no change will be necessary in the amount or basis of allocation of these emoluments.

7. I am accordingly to request that Their Lordships may be moved to give their sanction to the above arrangements. As the Resident will proceed on leave in April, an early reply to this letter will be appreciated.

I am, &c.,
J. A. CALDER.

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* No. 74 in Middle East No 22.

17913/33 [No. 9].

No. 57.

TREASURY to COLONIAL OFFICE.

(E. 19172/3.)

Treasury Chambers, 31st March, 1933.

SIR,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Calder's letter of the 24th instant,* relative to the remuneration of the Protectorate Secretary while acting as Resident and Chief Commissioner at Aden during the absence on leave of the latter officer.

In reply I am to request you to inform the Secretary of State for the Colonies that in the circumstances represented Their Lordships sanction the payment to Mr. Champion, during the period of the Resident's leave, of remuneration at the rate of £1,462 10s. 0d. per annum together with the Sumptuary Allowance of Rs. 500 *per mensem*; the total cost being borne equally by the Government of India and the Vote for Colonial and Middle Eastern Services.

My Lords note that Mr. Champion's substantive post will be filled by Colonel Lake, Political Officer, whose emoluments are already borne in full on United Kingdom funds and that no change will be necessary in the amount or basis of allocation of these emoluments.

I am, &c.,
JAMES RAE.

17913/33 [No. 11].

No. 58.

COLONIAL OFFICE to INDIA OFFICE.

Downing Street, 19th April, 1933.

SIR,

I AM directed to refer to Mr. Laithwaite's letter of the 24th of February† and previous semi-official correspondence relative to the remuneration of the Protectorate Secretary while acting as Resident and Chief Commissioner at Aden during the absence on leave of the latter officer, and to request you to inform Secretary Sir Samuel Hoare that the Lords Commissioners of the Treasury have now agreed to the payment to Mr. Champion during the whole of the period of the Resident's leave of remuneration at the rate of £1,462 10s. 0d. per annum calculated as under, in a similar manner to that in Colonial Regulation No. 62 but waiving the provision as to non-payment of allowances whilst the Resident is on full average pay:—

	£	s.	d.
½ "Colonial Service" Resident's salary of £2,250 per annum	1,125		
½ Mr. Champion's salary of £1,000 per annum ...	500		
	1,625		
Less 10 per cent.	162	10	0
	£1,462	10	0

and pay at that rate will be issued to his bankers in this country as from the date of his assuming the duties of Acting Resident. A moiety of the issues will be charged to the India Office in the books of the Colonial Office. It is assumed that Mr. Champion will draw the Sumptuary Allowance of Rs.500 per mensem in Aden and that a moiety will be charged to His Majesty's Government During the above period Mr Champion will cease to draw the local allowance of £100 per annum and the conveyance allowance of £90 per annum.

2. As Mr. Champion's substantive post will be filled by Colonel Lake, Political Officer, whose emoluments are already borne in full on United Kingdom funds, no change will be necessary in the amount or basis of allocation of these emoluments so far as United Kingdom funds are concerned.

I am, &c.,
H. R. COWELL.

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* No 56.

† 17913/33 [No. 6] : not printed.

17913/33 [No. 21].

No. 59.

MR. H. R. COWELL (COLONIAL OFFICE)

to

MR. J. G. LAITHWAITE (INDIA OFFICE).

[*Answered by Nos.* 51 *and* 53.]

Downing Street, S.W.1, 28th August, 1933.

DEAR LAITHWAITE,

WILL you please refer to your letter of the 19th of January* and to previous correspondence about the appointment of a Political Secretary at Aden on the expiry of Champion's term.

The time for Champion's relinquishment of the post is now getting near, and we feel that a decision on the question of his successor cannot be postponed much longer. The previous correspondence on this subject has been largely confined to the question of preserving the spirit of the "alternate appointment" rule, but, in view of the impending change in the administration of Aden, we suggest that this aspect of the matter has lost its importance. In any case, you will probably agree with us that the balance of advantage lies in appointing Lake rather than a newcomer, since the arrangements for the transfer of Aden affairs to the Colonial Office, if finally approved, will be facilitated by the presence of an officer having local experience.

In these circumstances, we shall be grateful if you could now approach the Government of India and obtain their approval for the appointment of Lake to succeed Champion on the terms proposed in the Resident's despatch No. 136 of the 20th of July, 1932.† We shall be glad if their approval can be obtained as early as possible, because, as you know, we have yet to secure Treasury sanction for the Resident's proposals.

Yours, &c.,
H. R. COWELL.

(iii) Appointment of a second Political Officer.

17930/33 [No. 2].

No. 60.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 21st November, 1933.)

(No 266.)

The Residency, Aden, 9th November, 1933.

SIR,

I HAVE the honour to submit for your consideration that a second Political Officer be appointed at Aden.

2. It will be recalled that in the course of the discussions that took place in 1927 and 1928 on the question of the division of responsibilities and establishment consequent upon the assumption by His Majesty's Government of Political control in Aden, it was decided that two District Inspectors (or Political Officers) should be appointed, in addition to the Political Secretary. The actual appointment of these two officers was, however, deferred until Sir Stewart Symes should have had time, after his arrival at Aden, to consider the matter further. In accordance with this principle, provision was made for these two posts in the Estimates of the Vote for Colonial and Middle Eastern Services, 1929 (*vide* Colonial Office despatch (Accounts) No. 10 of 30th April, 1929). Sir Stewart Symes subsequently, in his Secret despatch No. 127 of 6th August, 1929,‡ expressed the opinion that while developments in the Protectorate might later render the filling of these two appointments desirable, it was not at that time immediately necessary to fill more than one of them. He hoped that it would be possible to conduct our political relations principally through the *media* of Chiefs in Council, and by occasional journeys for special purposes by the Political staff of the Residency. Experience

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* No. 46.

† No. 80 in Middle East No. 34.

‡ C. 69252/29 [No. 23] : not printed.

has, however, shown that, although the Conference of Chiefs is valuable, the Chiefs do not, and at present cannot, completely fill the rôle intended for them, and that the Political staff is insufficient to do all that is required.

3. His Majesty's Government have accepted and continued the former policy of the Government of India, which aimed at avoiding anything in the nature of direct administration in the Protectorate, and I have no intention of proposing any departure from this principle. I consider, however, that increased direct political contact between the Residency and the Protectorate is very necessary, and that it cannot be established without strengthening the existing Political staff.

4. The objects of political work in the Protectorate may be regarded as falling under the following main heads :—

(1) Political intelligence.
(2) Co-operation with the Royal Air Force.
(3) Promotion of internal security.
(4) Supervision of frontier conditions.
(5) Assistance in peaceful development and welfare.

5. I propose to outline briefly the nature of the duties required under these heads.

(1) *Political Intelligence.* The Aden Protectorate comprises a large area, containing the territories of 30 principal Chiefs who are in formal political relations with His Majesty's Government, and amounting to about 42,000 square miles. The interest of the Residency in different parts of this territory varies in proportion to their distance from Aden, their strategic importance and the nature of the problems that they present. But it must maintain some degree of touch with all of them, and the receipt of early information of events in them is essential for both military and political purposes For this object reliance has hitherto been placed on news received from tribal Chiefs and other local sources, supplemented more recently by the reports of R.A.F. Intelligence Officers. The Political Officer at Aden is sent to verify information of importance when he can be spared, but for reasons to which I shall refer later it often happens that he is not available for this duty. In practice news is sometimes belated and inaccurate, and a situation calling for prompt action deteriorates through delay in investigation. An improvement in political intelligence organization is undoubtedly desirable.

(2) *Co-operation with the Royal Air Force.* The advent of the Royal Air Force has inevitably produced a considerable change in the relations of Aden to the Protectorate tribes. The shadowy protection of treaties whose obligations could often not be fulfilled has been converted into a reality, and the tribes and their Chiefs look to Aden for their safety and for guidance to a much greater degree than they formerly did. The outlying tribal areas are no longer almost inaccessible. During the last few years 35 landing grounds have been made in the Protectorate, and R.A.F. Intelligence Officers traverse the country for the collection of military and other information The increased facilities for travel afforded by these landing grounds has greatly helped contact by Political Officers also; but, owing to the limited Political staff available, this contact has not been able to keep pace with the R.A.F. development. The result is that the R.A.F. Intelligence Officers have not infrequently to undertake the rôle of political pioneers in districts where their way ought to have been smoothed for them by preparation by the Residency. As things are, I cannot give the Officer Commanding the Forces the measure of political co-operation and assistance that he ought to receive; but, on the contrary, I am often dependent on R.A.F. Officers for information and for the performance of work that is more political than military.

(3) *Promotion of Internal Security.* There is no established law and order in a Western sense in the Protectorate except in the Sultanate of Lahej and to a less degree at Mukalla; but the treaty Chiefs are held responsible for the security of the main trade routes through their territories and for the safety of peaceful travellers. In certain cases they are bound by special agreements of long standing to maintain armed posts on these routes in return for payments by the Residency; but this obligation is often notoriously disregarded unless pressure is exercised from Aden to enforce it. The lack of security for travellers through the Protectorate has been a frequent reproach to us and a constant source of complaint on the part of the Imam of the Yemen, and it has led directly to the latter's prohibition of trade and travel by his subjects in the Protectorate. In view of the possibility of the early conclusion of a treaty with the Imam, a preliminary condition of which is his removal of this embargo, it is essential that every effort should be made to protect Yemeni travellers in the Protectorate from murder and robbery

which might well justify the Imam in again closing the frontier. Flagrant outrages on the roads have at times led to Residency interference by the imposition of fines enforced when necessary by punitive air action, but this is a remedy which can be applied only sparingly. Prevention is preferable to punishment, and an important duty for Political Officers from Aden should be the periodic inspection of tribal measures for safeguarding the roads and the adjustment of disputes and difficulties likely to develop into a serious menace to traders and travellers. Closer supervision in this respect might often obviate the need for punitive bombing. These are essential objects of Residency policy; apart from them, general intervention in tribal quarrels and feuds is undesirable, as too much interference by British Officers might involve us in the beginning of the direct administration that we wish to avoid. But a Political Officer should in special circumstances help Chiefs who seek his aid in the settlement of their disputes. At present we rely very largely—and possibly too much—on the good offices of the Sultan of Lahej for this purpose. The ability, loyalty, and personal influence of the present Sultan are so great that he is able to perform most beneficial and helpful work in this respect, and in consequence he has during the last few years assumed an increasing volume of arbitral responsibilities, principally at the request of the Residency. But we cannot count on always having at Lahej a ruler of his capacity and character, or one who is able and willing to undertake such arduous and troublesome duties; and it is moreover undesirable that too great an authority should devolve on an individual Chief, however estimable he may personally be. The Residency should be capable, when necessary, of filling the rôle of mediator itself through a Political Officer.

(4) *Supervision of Frontier Conditions.* The experience of the last thirteen years has taught us that the Zeidis, whose ruler refuses to abandon his hereditary claim to the whole of the Aden Protectorate, pursue a policy of infiltration and encroachment on its borders whenever and wherever they suppose that they can do so with impunity. We have had repeated examples of this practice. When they were checked about ten years ago in their advance towards Lahej they attacked Beidha and the Audhalis. When air action put an end to their further progress in this quarter in 1925, and ejected them from Dhala' in 1928, they turned their attention further east to Beihan. When that was also barred to them they resumed their activity on the Subeihi frontier, a part of the Protectorate with which we had very slight touch, and news from which either reached the Residency late or failed to reach it at all. Encouraged by our apparent indifference the Zeidis ventured on more serious incursions in this direction, which culminated in raids that necessitated the recent ultimatum to the Imam. Had greater watchfulness on this frontier been possible it might have prevented some of the incidents that led to this crisis. The lack of means of easy communication which made this difficult has now been removed by the construction of landing grounds : in future this area, as well as other frontier districts, ought to be visited more frequently to obtain early information of Zeidi intrigues or encroachments, and to remove causes of friction on the border. In places where the local Chiefs have from time to time been supplied with arms and ammunition for frontier defence these munitions should be inspected periodically to ensure that they are not sold or otherwise dissipated.

(5) *Assistance in Peaceful Development and Welfare.* It is notorious that we do little or nothing for the material welfare of the people of the Protectorate beyond shielding them from conquest by the Imam, whose rule they allege—perhaps wrongly—would make their conditions worse than they now are. The tribes live to-day as they have done for centuries, valuing above all their freedom, and abusing it by perpetual indulgence in tribal and family vendettas. The loss of life in these feuds is great, but it is exceeded by the deaths and the suffering due to poverty, ignorance and a complete lack of knowledge of medicine or hygiene Without direct administration there is little that the British authorities at Aden can do to cure these ills. An attempt has, however, been made to commence instruction in simple medical treatment for easily preventible or curable disease, and in diagnosis of more serious illness. This has been done by the giving of primary teaching in first-aid and simple hygiene by a medical Missionary in Sheikh Othman to a small number of young tribesmen from the Protectorate, who, it was expected, would be able thereafter to do useful work in their tribal areas. The primitive ignorance of the pupils, and the conditions of their home life have hitherto mitigated against the success of even so elementary an experiment as this. It is not enough to launch this scheme at Aden. The work will not be carried on satisfactorily unless the impetus given at the start is continued : the pupils ought to be visited from time to time in the places to which they are sent back, their methods and their difficulties ought to be watched, and mistakes and

weaknesses in the scheme ought to be detected on the spot and corrected. Without some degree of supervision no success in this line can be expected; but active Political Officers would be able to give useful help to the people in this and in other aspects of their material welfare.

6. It is thus evident that there is a large amount of purely political work that can be and ought to be undertaken in the Protectorate without the introduction of any system approaching direct administration. Much of this work is not being done now because there is no Officer who is regularly and continuously available to perform it. At present the political staff of the Aden Residency, apart from the Resident himself, consists of the Political Secretary and one Political Officer. The Political Secretary's duties include—

Conduct and direction of Political Intelligence in respect of the Protectorate, the Yemen, and the southern Red Sea.

Preparation of the annual Political Estimates, and control of expenditure therefrom; and control of the issue of arms and ammunition and other benefits to Chiefs and tribesmen.

Interviews with the more important Chiefs on their periodical visits to Aden.

Control and supervision of the Political and Arabic Office, and the drafting and signature of all correspondence emanating therefrom.

Preparation and presentation of drafts, minutes and reports on Political matters for the Resident.

Keeping himself acquainted (as Acting Chief Commissioner designate) with all the principal activities of the Civil Administration of Aden

The Political Officer's duties include—

Collection and transmission to the Political Secretary of Political Intelligence in respect of the Protectorate.

Tours in the Protectorate, and visits to Chiefs for particular purposes, connected with tribal internal and external security, inter-tribal feuds, &c

Reception and care of all privileged Chiefs and their retinues on their periodical visits to Aden.

Scrutiny of, and recommendation to Political Secretary in regard to all requests from Chiefs for arms and ammunition, presents, and other benefits.

Interviews with the less important Chiefs and tribesmen on their visits to Aden.

Contact with, and (in a certain degree) supervision of children from the Protectorate who are under instructions in the Government Schools in Aden.

7. Both these Officers therefore have their time fully occupied. The work of either of them is still heavier when the other is on leave, or (in the case of the Political Secretary) acting for the Resident when the latter is away. During the last five years one or other of the two Officers has been performing the duties of both for an aggregate period of about two years.

8. I have reviewed the position at some length as I wish to make clear the reasons that have led me to the conclusion that the appointment of a Second Political Officer is now justifiable and necessary, and I hope that my recommendation for the revival of this post will be approved.

I have, &c.,
B. R. REILLY.

17930/33 [No. 3].

No. 61.

COLONIAL OFFICE to TREASURY.

SIR, Downing Street, 19th December, 1933.

I AM directed by Secretary Sir Philip Cunliffe-Lister to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch* from the Resident at Aden recommending the creation of a second post of Political Officer, for the Aden Protectorate.

The Secretary of State supports the Resident's recommendation and requests that Their Lordships may be moved to sanction the creation of this post as from the beginning of the next financial year. It is proposed that the emoluments and conditions attaching to the post should be those set out in the Resident's despatch, No. 136 of the 20th of July, 1932,† a copy of which was forwarded to the Treasury in the letter from this Department of the 15th of February.‡ The question whether the post should be pensionable must depend upon the officer who is selected for the appointment, and will if necessary form the subject of a separate communication.

If Their Lordships approve this proposal, an additional sum of £885 will require to be added to Head II (*c*) of the provisional Estimates for 1934-35, which were sent to the Treasury in the letter from this Department of the 24th of November.§

As a possible candidate for this post is due to return to his Colony from leave early next year, it is desirable that a decision should be reached as soon as possible. I am therefore to request the favour of a very early reply.

I am, &c.,
H. R. COWELL.

4. STRENGTH OF POLICE.

17904/33 [No. 15].

No. 62.

MR. J. G. LAITHWAITE (INDIA OFFICE)

to

MR. H. R. COWELL (COLONIAL OFFICE).

[*Answered by No.* 65.]

MY DEAR COWELL, India Office, S.W.1, 6th June, 1933.

You wrote to us officially on 22nd December last,‖ suggesting that once we had the Government of India's recommendations on Reilly's despatch to them of 26th November last,¶ on the subject of the proposed increase in the strength of the Armed Police Force at Aden, we might discuss the matter in the Standing Aden Committee.

2. We sent copies of your letter at the time to the Government of India, but we have heard nothing from them since and had been contemplating a reminder I understand, however, from a conversation with Reilly before I went on leave, that he did, in fact, have some discussion on this point with the Government of India during his visit to Delhi last January. If I am correct in my recollection of what he said, it was to the effect that the Government of India, while keeping an open mind as to other arguments for or against the proposed increase, informed him that financial considerations would make it impossible for them to support any proposal such as he had put forward in present circumstances. He did not, this being so, anticipate that we should hear anything further about it.

3. If you wish, we will seek official confirmation from the Government of India that no recommendations need be expected from them. But you may think this unnecessary and the simplest course might be that when Reilly is next in London we should discuss this question informally with him, together with other outstanding Aden questions. Perhaps you would be so kind as to let me know what you think?

Yours, &c.,
J. G. LAITHWAITE.

* No. 60. † No. 80 in Middle East No. 34. ‡ No. 7.
§ No. 17915/33 [No. 6] in Middle East No. 52. ‖ C. 97854/1/32 [No. 23] : not printed.
¶ Enclosure in No. 108 in Middle East No. 34.

17904/33 [No. 16].

No. 63.

MR. H. R. COWELL (COLONIAL OFFICE)

to

LIEUTENANT-COLONEL B. R. REILLY (RESIDENT).

MY DEAR REILLY, Downing Street, S.W.1, 13th June, 1933.

IN your despatch of the 30th November last* you sent us a copy of your letter of the 26th November to the Government of India on the subject of the proposed increase in the strength of the Aden Armed Police Force. We had proposed to have a discussion in the Aden Committee when the observations of the Government of India were received; but we have heard nothing further from that Government. I understand, however, that you had some conversation on the matter during your visit to Delhi.

I am afraid that there is not much chance of support for the proposed increase being forthcoming from the Treasury, and unless the Government of India support the proposal strongly—which we gather is unlikely—it will probably have to be dropped.

Perhaps you will let me know whether you think there is any advantage in pursuing the question at present.

Yours, &c.,
H R. COWELL.

17904/33 [No. 18].

No. 64.

AIR MINISTRY to COLONIAL OFFICE.

[*Answered by No.* 66.]

SIR, Air Ministry, W.C.2, 20th June, 1933.

I AM commanded by the Air Council to refer to Colonial Office letter of 22nd December, 1932,† transmitting a copy of a despatch‡ from the Resident at Aden recommending an increase in the establishment of armed police, and to inquire whether the observations of the Government of India have yet been received.

I am to add that a communication has also been received from the Officer Commanding Aden, who is in agreement with the Resident as to the necessity for an increase in the establishment of armed police, and the Council are anxious that a decision on the subject should be reached with as little further delay as possible.

Copies of this letter are being sent to the India Office, Foreign Office, Admiralty, Treasury, and War Office.

I am, &c.,
J. S. ROSS

17904/33 [No. 17].

No. 65.

MR. H. R. COWELL (COLONIAL OFFICE)

to

MR. J. G. LAITHWAITE (INDIA OFFICE).

[*Answered by No.* 69.]

MY DEAR LAITHWAITE, Downing Street, S.W.1, 23rd June, 1933.

I DISCUSSED with Reilly the question raised in your letter of 6th June.§ I understand that he had raised the matter at Delhi, but recognized that there was no prospect of the Government of India agreeing at present to any increase in the strength of the

* No. 108 in Middle East No. 34. † C 97854/1/32 [No. 25] : not printed.
‡ Enclosure in No. 108 in Middle East No. 34. § No. 62.

armed police. In these circumstances he was prepared, with some reluctance, to let the matter drop for the time being, reserving the right to raise it again if there should be any deterioration in the general position.

Reilly was under the impression that the Government of India would notify the India Office of their decision, but I do not think that there would be any advantage in pressing them for a formal decision If any Department represented on the Aden Committee asks how the matter stands, I should propose to reply that we do not propose to pursue the matter further at present.

Yours, &c.,
H. R. COWELL.

17904/33 [No. 19].

No. 66.

MR. H. R. COWELL (COLONIAL OFFICE)

to

MR. C. G. EVANS (AIR MINISTRY).

DEAR EVANS, Downing Street, 27th June, 1933

WITH reference to your official letter of 20th June,* regarding the proposed increase in the armed police at Aden, the position is that Reilly discussed that at Delhi recently, and understood that there is no prospect of the Government of India agreeing to any such increase at present. In these circumstances, we have not thought it worth while to press the Government of India for a formal decision, and we do not propose to pursue the matter further at present.

I see that a copy of Air Ministry letter has gone to the India Office, who will presumably reply that the observations of the Government of India have not yet been received, and in that case we should propose to let the matter drop. Reilly reserves the right to raise the question again if there should be any deterioration in the general position.

Yours, &c.,
H. R. COWELL.

17904/33 [No. 21].

No. 67.

MR. J. G. LAITHWAITE (INDIA OFFICE)

to

MR. C. G. EVANS (AIR MINISTRY).

(Copy received in Colonial Office, 1st July, 1933.)

DEAR EVANS, India Office, S.W.1, 30th June, 1933.

COWELL has sent me a copy of his d.o. letter to you of 27th June,† regarding the proposed increase in the armed police at Aden.

2. Cowell's letter, I think, makes the position clear and I only write now to say that in all the circumstances we think the simplest course would be that we should send no official reply to your letter of the 20th June* and merely let the matter drop. Will you let me know if you agree?

3 I am sending a copy of this letter to Cowell.

Yours, &c.,
J. G. LAITHWAITE.

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* No. 64. † No. 66.

17904/33 [No. 22].

No. 68.

MR. C. G. EVANS (AIR MINISTRY)

to

MR. J. G. LAITHWAITE (INDIA OFFICE).

(Copy received in Colonial Office, 8th July, 1933.)

DEAR LAITHWAITE, Air Ministry, W.C.2, 7th July, 1933.

YOUR letter of the 30th June* regarding the proposed increase in the armed police at Aden. We agree that our letter of 20th June† need look for no answer in view of Reilly's changed attitude in regard to the proposed increase.

I am sending a copy of this letter to Cowell.

Yours, &c.,
C. G. EVANS.

17904/33 [No. 32].

No. 69.

MR. J. G. LAITHWAITE (INDIA OFFICE)

to

MR. H. R. COWELL (COLONIAL OFFICE).

MY DEAR COWELL, India Office, S.W.1, 7th November, 1933.

WOULD you kindly refer to your letter of the 23rd June‡ on the subject of Reilly's suggestion for an increase, consequent on the Moslem-Jewish disturbances last summer, in the strength of the Aden Armed Police? We agreed, with the concurrence of the Air Ministry, that for the reasons mentioned in your letter of 27th June§ to Evans the matter might now be let drop.

2. I now enclose, for your information, copy of a letter from the Government of India, to whom copies of the demi-official correspondence between our Departments had been sent for information, which completes the record.

3. I am sending a copy of this letter and of its enclosure to Evans.

Yours, &c.,
J. G. LAITHWAITE.

Enclosure in No. 69.

(Confidential.) Foreign and Political Department, New Delhi,

DEAR MR. LAITHWAITE, 21st October, 1933.

WILL you please refer to the demi-official correspondence forwarded with India Office weekly letter dated 29th June, 1933, containing discussions between the Colonial Office and the India Office regarding proposals for increasing the strength of the Aden Armed Police? The subject matter of Reilly's letter of 26th November, 1932,‖ was fully discussed here in January last between Reilly, Metcalfe and myself. The point of view of the Government of India and His Majesty's Government contained in our letter to the India Office dated 28th July, 1932,¶ and India Office letter dated 8th September, 1932,** was again fully discussed and impressed upon the Chief Commissioner. It was made clear to Reilly that he was not correct in holding that the Government of India as well as His Majesty's Government had misunderstood the rôle of the Aden Protectorate Levies. The support of civil police by levies for internal security purposes was an integral part of the police reorganization scheme agreed to between His Majesty's Government and the Government of India. It was also explained that the view taken by the Officer Commanding the Troops that troops and levies were only responsible for assisting the police in quelling disturbances, which were definitely aimed

* No. 67. † No. 64. ‡ No. 65. § No. 66. ‖ Enclosure in No. 108 in Middle East No. 34.
¶ Enclosure in No. 106A in Middle East No. 34. ** Enclosure in No. 107 in Middle East No. 34.

against Government and not disturbances arising out of communal tension was incorrect. According to the views of the Government of India, which His Majesty's Government had accepted, the Chief Commissioner was fully entitled to invoke, if necessary, the aid of troops or levies in support of the civil armed police, in the case of all disturbances whether communal or anti-Government. His Majesty's Government had fully and carefully considered the question and had definitely decided that the authorities at Aden were at all times fully justified in calling upon the Military for assistance, if required, in the event of a disturbance of an extent and duration with which the police could not reasonably be expected to cope, and that in the event of a situation occurring of the nature now under consideration a request from the Resident for assistance from the military authorities would not be in any way misunderstood by His Majesty's Government. It was only on the condition that support by the levies would, if necessary, be forthcoming that the present police strength and the financial arrangements involved had been agreed to between His Majesty's Government and the Government of India. It was suggested that if the forces at the disposal of the Officer Commanding the Troops was inadequate for this purpose, or that the utilization of the levies would weaken the defence scheme in any way, the proper remedy was not to increase the civil armed police but to consider seriously the question of increasing the number of levies or troops. It was, however, strongly emphasized that it seemed most unlikely either His Majesty's Government or the Government of India would consent to any increase in the charges paid for the protection of Aden either against external aggression or internal disturbance, and it would, therefore, be necessary to carry on with the existing forces. The Government of India's unwillingness to accept additional charges at the present moment would also be increased by the uncertainty as to how long Aden would remain under their control. As a result of full discussion on these lines Reilly agreed to drop the proposals, but he reserved the right to reopen the question in some form or other should practical difficulties arise in future.

2. In view of the facts stated above, Reilly's proposals contained in his letter of 26th November, 1932, were not proceeded with further officially. We now see that the Colonial Office and the India Office had also a discussion with Reilly and that all have agreed that the matter should be dropped for the time being. We are now sending you a brief summary of the discussions which took place as indicated above for your record.

Yours, &c.,
V. NARAHARI RAS.

J. G. Laithwaite, Esq.,
India Office, London.

B. PROTECTORATE AFFAIRS.

1. SUPPLY OF ARMS AND AMMUNITION TO PROTECTORATE TRIBES.

C. 97851/32 [No. 57].

No. 70.

COLONIAL OFFICE to TREASURY.

SIR, Downing Street, 11th January, 1933.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to paragraph 4 of the letter from this Department of the 2nd of November, 1932,* regarding the provision to be made in the Vote for Colonial and Middle Eastern Services for 1933 in respect of Aden, and to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch† from the Resident at Aden in which he makes certain recommendations for the replenishment of the stock of arms and ammunition held on charge at the Aden Residency.

A copy of a letter‡ from the Air Ministry on this subject is also enclosed.

2. It will be seen that the Air Council endorse the recommendations of the Resident and consider that the expenditure involved is fully justified by the enhanced measure of security from attack from without, and of stability within, the Protectorate,

* No. 4. † No. 168 in Middle East No. 34. ‡ No. 170 in Middle East No. 34.

which will be thereby provided. Sir Philip Cunliffe-Lister shares this view and also concurs in the opinion expressed by the Council in paragaph 3 of their letter that it would be preferable to supply an extra 1,000 Le Gras rifles, rather than 1,000,000 rounds of Martini-Henry ammunition. He therefore proposes, subject to Their Lordships' concurrence, to include in the draft Estimates for 1933, the sum of £5,713 in respect of this service, not £12,962 as originally suggested by the Resident. This sum is made up as follows:—

	£	s.	d.
1,950 Le Gras rifles at 15s.	1,462	10	0
1,000 do.	750	0	0
½ million rounds of Le Gras ammunition	3,500	0	0
	£5,712	10	0

3. A copy of this letter is being sent to the Air Ministry.

I am, &c.,
H R. COWELL.

17901/33 [No. 10].

No. 71.

THE SECRETARY OF STATE to THE RESIDENT.

[*Answered by No.* 73.]

(No. 51.) Downing Street, 19th April, 1933.

SIR,

I HAVE the honour to refer to my telegram of the 16th of February,* regarding the shipment of 400 Le Gras rifles and to inform you that I have had under consideration the question of the sum to be charged for each rifle in those cases in which rifles are issued on payment. The sum charged up to the present has been Rs. 10 per rifle and that sum represented a fair charge on the basis of the total cost of the rifles and all incidental expenses connected with their purchase and shipment to Aden. It will be observed, however, from the enclosed copy of a letter† from the Crown Agents for the Colonies that the present supply of 400 rifles has cost £408 18s. 5d. and in addition there will be certain charges to be met in connexion with their transport in Aden. I accordingly suggest that it would be justifiable that the price of each rifle issued on payment should now be raised to Rs. 15 (£1 2s. 6d.), and provided you see no objection I have to request that the revised rate may be brought into force forthwith.

I have, &c.
(for the Secretary of State),
PLYMOUTH.

17901/33 [No. 12].

No. 72.

THE ACTING-RESIDENT to THE SECRETARY OF STATE.

(Received 15th May, 1933.)

(No. 97.) The Residency, Aden, 3rd May, 1933.

SIR,

I HAVE the honour to refer to the Civil Estimates for the year ending 31st March, 1934, Colonial and Middle Eastern Services, Arabia, Sub-heading II (*c*), under which the sum of £5,712 is allotted for the replenishment of the stock of arms and ammunition held on the charge of this Residency, and to my Confidential despatch No. 210, dated 26th October, 1932,‡ setting forth the detail for which this sum is required.

2. I now request that 2,950 Le Gras rifles and a half million rounds of Le Gras ammunition may be purchased and sent to me at an early date.

I have, &c.,
R. S. CHAMPION.

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* 17901/33 [No. 5]: not printed. † 17901/33 [No. 9]: not printed.
‡ No. 168 in Middle East No. 34.

17901/33 [No. 14].

No. 73.

THE ACTING-RESIDENT to THE SECRETARY OF STATE.

(Received 22nd May, 1933.)

(No. 106.) The Residency, Aden, 10th May, 1933.

SIR,

I HAVE the honour to refer to your despatch No. 51, dated the 19th April, 1933,* regarding the sale price of the 400 Le Gras rifles recently received on the charge of this Residency from the Crown Agents for the Colonies and to inform you that the revised rate, namely Rs. 15/- per rifle, has been brought into force with effect from the 1st May, 1933, on which date the despatch under reference was received in this office.

I have, &c.,
R. S. CHAMPION.

17901/33 [No. 15].

No. 74.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

[*Answered by No.* 79.]

Downing Street, 15th June, 1933.

GENTLEMEN,

WITH reference to your letter of the 31st of March,† I am directed by Secretary Sir Philip Cunliffe-Lister to inform you that it is proposed to replenish the stock of Le Gras rifles and ammunition held on the charge of the Resident at Aden for issue to tribes in the Aden Protectorate.

2. I am accordingly to request that you will take the necessary steps to obtain at an early date 2,950 Le Gras rifles and 500,000 rounds of Le Gras ammunition, but that you will report the estimated cost to this Department before actually concluding the contract. The cost of the rifles and ammunition will be recoverable from the Colonial and Middle Eastern Services Vote.

I am, &c.,
H. R. COWELL.

17901/33 [No. 17].

No. 75.

THE SECRETARY OF STATE to THE ACTING RESIDENT.

[*Answered by No.* 87.]

(No. 84.) Downing Street, 30th June, 1933

SIR,

I HAVE the honour to refer to the correspondence ending with your despatch, No 98, of the 3rd May, 1933,‡ regarding issues to Protectorate tribes during 1932-33 from the stock of Le Gras rifles and ammunition supplied by the Colonial Office and to request that you will be good enough to confirm that as at the 31st March, 1933, the stocks in hand amounted to 398 rifles and 1,829,686 rounds of ammunition. It would be useful if, in future, information as to the stock in hand at the end of the financial year could be embodied in the return for the month of March.

2. In this connexion I have to refer to my despatch, No. 34, of the 25th May, 1932,§ and to inquire whether the necessary action has been taken to dispose of the 13 rifles and 41 boxes of ammunition which were reported to be unserviceable at the stocktaking held on the 12th February, 1932. If so, I should be glad to receive a copy of the recommendation of the Board of Survey together with a certificate as to

* No. 71. † 17901/33 [No. 9]: not printed. ‡ 17901/33 [No. 13]: not printed.
§ C. 97851/32 [No. 25]: not printed.

destruction of the unserviceable rifles and ammunition. I should add, for your information, that these items are included in the balances referred to in the first paragraph of this despatch.

I have, &c.,
P. CUNLIFFE-LISTER

17901/33 [No. 19].

No. 76.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 3.20 p.m., 10th July, 1933.)

TELEGRAM.

10TH JULY. No. 161. My despatch of 3rd May, No. 97.* Stock of Le Gras rifles for issue in emergency and normal issue is only 150. Request that rifles asked for in despatch may be sent as soon as possible.

17901/33 [No. 20].

No. 77.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

[*Answered by No.* 79.]

GENTLEMEN, Downing Street, 12th July, 1933.

WITH reference to the letter from this Department of the 15th June,† I am directed by Secretary Sir Philip Cunliffe-Lister to transmit to you a copy of a telegram‡ from the Acting Resident at Aden regarding the replenishment of the stock of Le Gras rifles and ammunition held on the charge of the Resident at Aden for issue to tribes in the Aden Protectorate.

2. The Secretary of State would be glad if you would take steps to expedite the purchase and despatch of the arms and ammunition as desired by the Acting Resident.

I am, &c.,
H. R. COWELL.

17901/33 [No. 22].

No. 78.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 24th July, 1933.)

(No. 165.)

SIR, The Residency, Aden, 12th July, 1933.

I HAVE the honour to refer to my telegram No. 161 of 10th July, 1933,‡ and also to my despatch No. 163 of 12th *idem*§ on the subject of proposed operations in 'Audhali territory.

2. In view of the importance of the replenishment of the Residency stock of rifles as soon as possible, for the reasons outlined in the despatch referred to, and of the fact that the last consignment of 400 rifles from the Crown Agents for the Colonies took approximately 6 months to be delivered at Aden, I request that steps may be taken to expedite the supply of the rifles asked for in my despatch No. 97 dated 3rd May, 1933.* Should it not be possible to hasten the replenishment of the present stock to my full demand, I request that at least 600 rifles may be sent in advance at a very early date.

I have, &c.,
R. S. CHAMPION.

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* No 72. † No. 74. ‡ No. 76. § No. 133.

17901/33 [No. 23].

No. 79.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE

[*Answered by No.* 80.]

SIR, 4, Millbank, S.W.1, 24th July, 1933.

WITH reference to your letters dated 15th June* and 12th July† regarding the proposed purchase of 2,950 Le Gras rifles and 500,000 rounds of Le Gras ammunition, for shipment to Aden, I have the honour to enclose a copy of correspondence which we have had with the War Office on the subject.

2. It will be seen that the cost of the rifles at approximately 50 fcs. each, exclusive of packing, &c., is the same as on the last occasion. We shall be glad to learn whether the War Office should be requested to complete the purchase from the French Government and arrange for their inspection as before.

3. As regards the ammunition, in view of the last part of the French War Department's letter of the 8th July, we are communicating with the Imperial Chemical Industries, Ltd., in pursuance of the suggestion contained in paragraph 3 of War Office letter of the 17th July, and a further letter will be sent to you in this connexion as soon as possible.

I have, &c.,
J. C. LAMONT
(for Crown Agents).

Enclosure 1 in No. 79.

SIR, 4, Millbank, S.W.1, 17th June, 1933.

WITH reference to previous correspondence terminating with your letter of 30th March, 1933, on the subject of the purchase from the French Government of 400 Le Gras rifles for the Residency at Aden, I have the honour to inform you that it is desired to purchase a further 2,950 such rifles and 500,000 rounds of Le Gras ammunition for despatch to Aden and to ask that you will make arrangements for us to be furnished at an early date, with the present estimated cost, including packing in the regulation cases, and for us to be advised when and where delivery could be made.

2 We presume that the War Office would again be prepared to undertake an upright inspection on our behalf of the rifles, and also an inspection of the ammunition, and I have to request that we may be furnished with an indication of the cost thereof.

3. As we have to report to the Colonial Office the estimated cost involved before committing ourselves, it will be understood that no actual order is given pending further instructions to us from the Colonial Office.

4. If it is considered by your Department that the requisite ammunition could be purchased in this country we should be glad if you could furnish us with the necessary particulars of it (including packing details) to enable us to obtain quotations from British manufacturers for consideration with the French quotation. It would be preferable to place the order in this country rather than in France if it is practicable to do so.

I have, &c.,
(for Crown Agents).

The Under-Secretary of State,
War Office, S.W.1.

Enclosure 2 in No. 79.

GENTLEMEN, War Office, London, S.W.1, 17th July, 1933.

WITH reference to your letters dated 17th June and 13th July, 1933, respectively, relative to the contemplated purchase of 2,950 Le Gras rifles, together with 500,000 rounds of Le Gras ammunition, I am directed to transmit herewith a copy of a letter received from the Chef du Service des Cessions de matériel a l'Etranger, regarding the costs and availability of the small arms and ammunition in question.

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* No. 74. † No. 77.

I am to state that, should it be decided to purchase the 2,950 rifles, this Department is prepared to undertake upright inspection at an estimated cost of £130 (one hundred and thirty pounds). The estimate is, however, dependent upon the actual location of the rifles.

In connexion with the purchase of the ammunition, I am to state that the Imperial Chemical Industries, Ltd., would possibly be prepared to undertake manufacture, and though the War Department has had no experience of this particular cartridge it would be prepared to undertake inspection providing a sufficiently comprehensive specification could be supplied.

I am to add that in the absence of more detailed particulars regarding the specifications and contract conditions that may be entered into, it is not possible, at this stage, to give an estimated figure of costs of inspection, but, as a guide, it is thought that the cost of a full inspection and packing would not exceed 10 per cent. of the value of the ammunition and packing accessories and, if a percentage inspection only is undertaken, the cost would be less subject, of course, to no unforeseen circumstances arising.

I am to request, therefore, that you will be good enough to inform this Department of your deliberations in due course, in order that your intentions may be communicated to the French Authorities.

I am, &c.,
W. G. KNOX-GORE
(for Director of Mechanization).

To Crown Agents for the Colonies.

Ministère de là Guerre,
Paris, le 8 juillet, 1933.

EN première réponse à votre letter No. 15/K. du 28 juin, 1933, j'ai l'honneur de vous faire connaitre, *sous réserve de confirmation*, qu'il sera sans doute possible de ceder au Gouvernement de Sa Majeste 2.950 fiusils 74 dans un délai relativement court, délai nécessité cependant par la manipulation et la remise en état des armes.

Ces fusils seront vrai semblablement prélevés sur on stock entreposé au parc annexe du Havre.

Le prix unitaire serait approximativement de Frs. 50,000. L'emballage comprendrait environ 173 caisses règlementaires doublées interieurement de papier huilé, au prix unitaire de *Frs.* 200,000.

Les frais d'ordre et de service, manipulation, épreuves de tir, seraient, à peu de chose près, les mêmes que ceux indiqués et facturés pour la récente cession de 400 fisils, mais amenés à la proportion de votre nouvelle demands.

Les cartouches d'essai seraient également decomptees à 0,80.

Quant à la fourniture de 500,000 cartouches, il serait préférable que vous vous adressiez a l'industrie privée, soit :—

Société Française des Munitions, 50, rue Ampère, *Paris*.
Cartoucherie Française à Survilliers (Seine et Oise).
Manufacture de Machines due Haut Rhin, 25, rue de Lisbonne, Paris.

En effet, le lot de cartouches 74 restant dans nos approvisionnements est de fabrication trop ancienne; le Départment de la Guerre ne pourrait vous en garantir l'état actuel de conservation.

Le Colonel,
Chef du Service des Cessions
de Matériel a l'Etranger :
LOUIS BARJOU.

Monsieur le Colonel Heywood,
Attaché Militaire a l'Ambassade d'Angleterre.
56, Faubourg St. Honoré, Paris.

17901/33 [No. 24].

No. 80.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

[*Answered by No.* 81.]

GENTLEMEN, Downing Street, 27th July, 1933.

I AM directed by Secretary Sir Philip Cunliffe-Lister to acknowledge the receipt of your letter of the 24th of July,* regarding the supply of arms and ammunition for the Residency at Aden, and to request that the War Office may be asked to complete the purchase and inspection of the Le Gras rifles and to arrange for their despatch to Aden at the earliest possible date. In this connexion a copy of a further communication† from the Acting Resident at Aden is enclosed herewith. It is requested that if practicable a supply of at least 600 rifles may be sent to Aden in advance of the main consignment.

The action which is being taken in regard to the supply of ammunition is noted.

I am, &c.,
H. R. COWELL

17901/33 [No. 27].

No. 81.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

[*Answered by No.* 83.]

SIR, 4, Millbank, S.W.1, 18th August, 1933.

WITH reference to your letter of 27th July,‡ regarding the supply of arms and ammunition for the Residency at Aden, I have the honour to enclose copies of letters which we subsequently addressed to the War Office on the subject.

As no reply has since been received from the War Office we are to-day sending a reminder

I have, &c.,
F. S. BLOMFIELD
(for Crown Agents).

Enclosure 1 in No. 81.

SIR, 4, Millbank, S.W.1, 28th July, 1933.

WITH reference to your letter of 17th July, I have the honour to request that you will complete the purchase and inspection of the 2,950 Le Gras rifles in question. We shall be glad to know at what place delivery of the rifles will be made in order that we may arrange for their despatch to Aden at the earliest possible date. It is noted that the rifles will be packed in regulation cases, as before, and that the cost of executing the order will be proportionately the same as that in the case of the last supply.

2. In view of the importance of the replenishment of the Residency stock of rifles as soon as possible, the Resident has asked that, if it is not possible to hasten the delivery of all the rifles, at least 600 may be delivered in advance at a very early date. We shall be glad if you will arrange accordingly.

3. We presume that payment will be required to be made by means of a draft payable to the Caissier Payeur, Tresor Public, Paris, as was done in 1932, and we shall be glad to learn the actual price of the rifles, when a draft will be forwarded to you for transmission.

4. We are in communication with Imperial Chemical Industries, Ltd., with regard to the 500,000 rounds of ammunition required and await their quotation.

I have, &c.,
(for Crown Agents).

The Under-Secretary of State,
War Office.

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* No. 79. † No. 78. ‡ No. 80.

Enclosure 2 in No. 81.

SIR, 4, Millbank, S.W.1, 2nd August, 1933.

WITH further reference to your letter of 17th July and to our letter of 28th July, I have the honour to enclose a copy of a quotation which we have received from Imperial Chemical Industries, Ltd., for the supply of 500,000 rounds of ammunition urgently required by the Resident at Aden for use with Le Gras rifles.

If you consider that the ammunition could be obtained as quickly in France on more favourable terms than those offered by Imperial Chemical Industries we should be glad if you would be good enough to obtain a quotation for us accordingly for submission to the Secretary of State for the Colonies at an early date in conjunction with the quotation by Imperial Chemical Industries bearing in mind that delivery of the ammunition (as well as of the rifles) is urgently required

For your information I attach a copy of a letter addressed by the Resident at Aden to the Colonial Office explaining why the arms are urgently needed.

I have, &c.,
(for Crown Agents).

To War Office.

GENTLEMEN, Millbank, London, S.W.1, 1st August, 1933.

Quotation.

Description: .43-in. cartridges, pattern 1874, for use with Le Gras rifles.
Quantity: 500,000.
Price: £6 3s. 6d. per 1,000.
Terms: Strictly net.
Delivery: F.O.B. English port.
Packing: Free, in tin-lined cases, each containing 1,000 rounds.
Time for Delivery: 100,000 per week commencing in four weeks, complete in eight weeks.
Specification: To be exactly similar to cartridges previously supplied.

Yours, &c.
(for IMPERIAL CHEMICAL INDUSTRIES LIMITED),

To Crown Agents.

17901/33 [No. 28].

No. 82.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

[*Answered by No.* 83.]

SIR, 4, Millbank, S.W.1, 25th August, 1933.

WITH reference to our letter of 18th August,* regarding the supply of ammunition for the Residency at Aden, I have the honour to enclose a copy of a letter from the War Office, together with translations of the enclosures, and to inquire whether the ammunition should be ordered from Imperial Chemical Industries, Ltd., or from one of the French suppliers.

2. We understand from Imperial Chemical Industries, Ltd., that they are quoting for cartridges similar to 5,000,000 supplied to the Resident, Aden, in 1926.

We are informing the War Office that no objection will be raised to the payment for 600 rifles as soon as their cost is known, and for the remainder when the total cost is known.

I have, &c.,
F. S. BLOMFIELD
(for Crown Agents).

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* No. 81.

Enclosure in No. 82.

GENTLEMEN, The War Office, London, S.W.1, 23rd August, 1933.

WITH reference to your letter of 28th July, 1933, I am directed to transmit herewith copies of correspondence received from three firms in France regarding the supply of Le Gras rifle ammunition.

2. In connexion with supply of the rifles, I am to state that the French authorities are apprehensive of some delay in the provision, but in view of the urgency every endeavour will be made to arrange for the early delivery of the first 600 rifles as requested.

3. I am to state further that although it was suggested that it would be preferable to settle the account in one payment, the French proposal is that the issue of a cheque to cover the first 600 rifles should be forwarded immediately the cost is made known and a further cheque sent in settlement of the balance when the total cost is known. It is presumed your Department would have no objection to this procedure.

4. I am to add that it is requested that you will inform this Department of your intentions regarding the provision of the ammunition in order that the Departments concerned may be informed at an early date.

I am, &c.,
Director of Mechanization.

To Crown Agents for the Colonies.

(*Translation.*)

LETTER FROM SOCIETE FRANCAISE DES MUNITIONS DE CHASSE, DE TIR AND DE GUERRE, TO THE MILITARY ATTACHE, BRITISH EMBASSY, PARIS.

DEAR SIR, Paris, 8th August, 1933.

IN reply to your request of 4th instant, for a quotation, we have the honour to inform you that we could supply you with 500,000 cartridges Le Gras 11 mm. at the following prices:—

1. Cartridges with grooved lead bullets filled with black powder—465 frs. net. per thousand.
2. Cartridges with bullets covered with brass filled with smokeless powder—605 frs. net. per thousand.

The above prices are for goods packed in wood and metal, delivered free at port of embarkation in France or Belgium.

Delivery of above quantities of either kind in about three weeks after receipt of order

Please note that a case of 1,200 cartridges (with either kind of bullet) weighs about 60 kilos gross.

We shall be happy to supply you with any other information you may require and to supply you with samples, filled or unfilled, of these two kinds of cartridges.

Yours, &c.,

(*Translation.*)

LETTER FROM LOUIS DIEU & CO. TO THE MILITARY ATTACHE TO THE BRITISH EMBASSY, PARIS.

DEAR SIR, 51, Rue d'Hauteville, Paris, 10th August, 1933.

WITH reference to your letter of 4th instant we have the honour to inform you that our latest price for 500,000 cartridges Le Gras grooved 11 mm. with lead bullets filled with black powder is 700 frs per thousand, delivered f.o.b. French port or Antwerp, including packing in wooden and zinc cases.

Yours, &c.,

(*Translation.*)

LETTER FROM CARTOUCHERIE FRANCAISE TO THE MILITARY ATTACHE TO THE BRITISH EMBASSY, PARIS.

DEAR SIR, Paris, 11th August, 1933.

WE are in receipt of your letter of the 4th instant, and as we do not ourselves manufacture army cartridges we have inquired of the Fabrique Nationale d'armes de Guerre of Herstal, Belgium, whose agents we are, regarding the possibility of their supplying 500,000 Le Gras cartridges, the subject of your inquiry.

The factory replies that for the quantity named by you the cost of recommencing manufacture of these cartridges, which they have long given up, will not allow them to quote a favourable price.

We regret that, in these circumstances, we are unable to comply with your request.

Yours, &c.,

17901/33 [No. 29].

No. 83.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

[*Answered by No.* 84.]

GENTLEMEN, Downing Street, 8th September, 1933.

I AM directed by Secretary Sir Philip Cunliffe-Lister to acknowledge the receipt of your letter of the 25th August,* regarding the supply of arms and ammunition for the Residency at Aden, and to inform you that he approves of your accepting the tender received from Imperial Chemical Industries, Limited, for the supply of 500.000 cartridges.

2. The Secretary of State presumes that you are satisfied that these cartridges will be suitable for the pattern of Le Gras rifles which has been ordered for the Residency and also for the Le Gras rifles now in Aden. Should there be any doubt on this point the Secretary of State would be glad if you would consult the War Office in the matter.

I am, &c.,
H. R. COWELL.

17901/33 [No. 31].

No. 84.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

[*Answered by No.* 85.]

SIR, 4, Millbank, S.W.1, 14th September, 1933.

WITH reference to your letter of the 8th September,† I have the honour to inform you that we are accepting the tender of Imperial Chemical Industries, Ltd., for the supply of the 500,000 rounds of ammunition required for the Residency at Aden, and to enclose copies of further correspondence with the War Office on the subject of the supply of the Le Gras rifles and the ammunition.

It will be seen that we do not propose to incur the expense of War Office inspection of the ammunition, but to rely on the contractors for the satisfactory execution of the order. We assume that this course is agreeable to the Secretary of State.

I have, &c.,
J. C. LAMONT
(for Crown Agents).

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* No. 82. † No. 83.

Enclosure 1 in No. 84.

GENTLEMEN, The War Office, S.W.1, 11th September, 1933.

I AM directed to confirm the telephone conversation of the 1st instant, wherein it was agreed that the additional inspection (the further cost of which is estimated at approximately £20) necessitated by the urgency of your request for delivery of the first 600 rifles should be undertaken.

I am to state that a further communication has now been received (a copy of which is enclosed) relative to the delivery and payment, and I am to request that you will be good enough to forward a draft made payable to the Caissier Payeur Central du Trésor Public in Paris.

I am also to inquire whether it is now possible for this Department to be furnished with your intentions regarding the provision of the ammunition.

I am, &c.,
(for Director of Mechanization).

To Crown Agents for the Colonies.

War Ministry, Paris, 30th August, 1933.

Subject : *Issue of stored rifles* (*fusils gras*).

REFERRING to my letter No. 2285 SCME of the 8th July, 1933, and in reply to yours of the 4th August, 1933, I have the honour to inform you that 2,950 *rifles, Model* 1874-80, with sword-bayonet, can be issued to your Government at the rate of 50 *francs* apiece.

Packing would include 185 cases costing 200 *francs* each.

To these items must be added the cost of the acceptance tests on 1/10th of these weapons representing a sum of 605 *francs*.

The total cost of the issue would therefore be :—	Frs.
Rifles, 2,950 at 50 francs	147,500.00
Packing, 185 cases at 200 francs ...	37,000.00
Acceptance tests	605.00
Total ...	185,105.00

The weapons would be delivered by the *Parc Annexe de Réparation et d'entretion*, Le Havre, approximately six months after the order to issue has been given to that Department.

With regard to a first consignment of 600 rifles, Model 1874-80, I should inform you that they would be issued in about three months' time.

I should like to take this opportunity of confirming the particulars given in my last letter relative to the cartridges, M. 1879-83, which are in store but too old to offer to your Government.

I have given the necessary instructions for this issue and shall be greatly obliged if you will kindly remit to me at the above address, a cheque for the amount due, made payable to the Caissier Payeur Central du Trésor Public, Paris.

(For the Minister, per pro. and for
the Secretary),
The Deputy Secretary-General.

Colonel Heywood,
Military Attaché,
British Embassy,
56, Faubourg St. Honoré,
Paris.

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Enclosure 2 in No. 84.

4, Millbank, S.W.1, 14th September, 1933.

SIR,

I HAVE the honour to acknowledge the receipt of your letter of the 11th September regarding Le Gras rifles and ammunition for the Residency at Aden, and to inform you that we notice from the enclosure to your letter that rifles with sword bayonets are specified. The previous rifles were supplied without bayonets, and bayonets are not required on this occasion. We shall be glad if you will give this point your attention and inform us how this will modify the price of the rifles. On receipt of your reply, arrangements will be made to forward a draft made payable to the Caissier Payeur Central du Trésor Public in Paris, as requested.

2. We shall be glad also if steps can be taken to impress on the French authorities the necessity for improving upon the period of three months specified for delivery of the first 600 rifles, in view of the Resident's request for their early supply.

3. With regard to the ammunition, we have been authorized by the Secretary of State to accept the tender of Imperial Chemical Industries, Ltd., for the supply of 500,000 cartridges on the understanding that the cartridges will be suitable for the Le Gras rifles which have been ordered, and also for those now in use in Aden. We are instructing the firm accordingly and informing them that, if verification on this point is required, they should consult with your Department in the matter. We shall be greatly obliged if you will give them any desired assistance in connexion with this point

4. We are informing the firm that the ammunition will not be inspected, and that we rely upon them for the satisfactory execution of the order.

I have, &c.,
J. C. LAMONT
(for Crown Agents)

The Under-Secretary of State,
War Office,
Whitehall, S.W.1.

17901/33 [No. 32.]

No. 85.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

Downing Street, 29th September, 1933.

GENTLEMEN,

I AM directed by Secretary Sir Philip Cunliffe-Lister to acknowledge the receipt of your letter of the 14th September,* regarding the supply of arms and ammunition for the Residency at Aden, and to inform you that, provided you are satisfied that War Office inspection of the ammunition is unnecessary, he agrees to your relying on the contractors for the satisfactory execution of the order

I am, &c.,
K. W. BLAXTER.

17901/33 [No. 34].

No. 86.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

4, Millbank, S.W.1, 18th October, 1933.

SIR,

WITH reference to your letter of the 29th September,† I have the honour to enclose copies of further correspondence with the War Office regarding the supply of Le Gras rifles and ammunition required for the Residency at Aden.

The cost of the draft for francs 185,105.00 in respect of the rifles was £2,341 5s. 0d., and, in accordance with your letter of the 15th June,‡ this amount has been charged to the Colonial and Middle Eastern Services Vote

* No. 84. † No. 85. ‡ No. 74.

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We are satisfied that War Office inspection of the ammunition is unnecessary and are accordingly relying on the contractors for the satisfactory execution of the order.

I have, &c.,
J. C. LAMONT
(for Crown Agents).

Enclosure 1 in No. 86.

The War Office, London, S.W.1, 2nd October, 1933.

GENTLEMEN,

WITH reference to your letter dated 14th September, 1933, regarding supply of Le Gras rifles, I am directed to forward herewith a copy of a communication* received from the French Government from which it will be seen that there will be no reduction in price if bayonets are not taken.

I am to state that the French authorities have been asked to improve upon the delivery date for the first 600 rifles.

With regard to the ammunition it is noted that the contract has been placed with Imperial Chemical Industries, Ltd., the supply to be accepted without inspection, and I am to add that any desired assistance will be given to the firm to enable them to carry out the terms of their contract.

In this connexion I am to refer to our telephone conversation of the 22nd instant and to confirm that the French Government has been asked to forward six rifles to the Chief Inspector Small Arms for passing to Imperial Chemical Industries, Ltd., after examination

I am, &c.,
E. C. SHIPSON
(for Director of Mechanization).

To the Crown Agents for the Colonies.

Enclosure 2 in No. 86.

4, Millbank, S.W.1, 13th October, 1933.

SIR,

I HAVE the honour to acknowledge receipt of your letter of the 2nd October regarding the supply of Le Gras rifles and to thank you for the action taken as regards the rifles and for your assistance in connexion with the ammunition.

We confirm that sword bayonets are not required with the rifles and we shall be glad if the French Government may be so informed.

A draft for Frs. 185,105.00 payable to the Caissier Payeur Central du Tresor Public in Paris in respect of the cost and packing of the rifles is enclosed for transmission together with a receipt for completion and return.

I have, &c.,

(for Crown Agents).

The Under-Secretary of State,
War Office, S.W.1.

17901/33 [No. 37].

No. 87.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 30th October, 1933.)

(No. 245.)

The Residency, Aden, 18th October, 1933.

SIR,

I HAVE the honour to refer to your despatch No. 84, dated the 30th June, 1933,† and to state that the stock of Le Gras arms and ammunition on charge of this Residency on the 31st March, 1933, was 401 rifles and 1,829,686 rounds against the balance of

* Not printed. † No 75.

398 rifles and 1,829,686 rounds shown in the despatch under reference. The excess of three rifles in the stock of this Residency is due to the fact that the receipt of three Le Gras rifles from an Arab Chief in exchange for three Lee Enfield rifles issued to him in March, 1932, was not reported in the Return of Arms and Ammunition for that month submitted to the Colonial Office under this Residency despatch No 74 dated the 20th April, 1932.* In the circumstances I request that the balance of the rifles on the 31st March, 1933, may kindly be amended accordingly. Information as to the stocks in hand at the end of the financial year will be embodied, in future, in the return for the month of March as desired by you.

2. As required by paragraph 2 of your despatch No. 34, dated the 25th May, 1932,† a Board of Survey consisting of two military officers was appointed to examine and report on the condition of the 13 Le Gras rifles and 41 boxes of Le Gras ammunition which were found to be unserviceable at the stocktaking which was, as reported in this office despatch No. 61, dated the 6th April, 1932,‡ carried out on the 12th February, 1932. I enclose an extract from the report submitted by the Board of Survey on the condition of the rifles and ammunition.

3. I may mention for your information that before the appointment of the Board of Survey referred to above, the Armament Officer, Royal Artillery, who is in charge of this Residency stock of arms and ammunition, on receipt of requisitions from this office repaired and issued to Arab Chiefs, as explained by the Officer Commanding British Troops, Aden, in the attached copy of memorandum, dated the 7th October, 1933, 6 Le Gras rifles out of the 13 mentioned above.

4. The 7 rifles and 41 boxes condemned as unserviceable by the Board have therefore been destroyed and a certificate to this effect is enclosed

I have, &c.,
R. S CHAMPION

Enclosure 1 in No. 87

EXTRACT FROM THE REPORT OF THE BOARD OF SURVEY HELD FOR THE PURPOSE OF ASCERTAINING THE STATE OF CERTAIN STORES AND MAKE RECOMMENDATIONS AS TO THEIR DISPOSAL.

A SURVEY is required to determine the state of equipment shown in columns 1 to 4 within, held on charge of this unit.

M. C. LAKE,
Lieutenant-Colonel,
Acting Political Secretary.

Dated, 20th February, 1933.
Unit Aden Residency Stores,
Fort Morbut.

A Board of Survey will be held at Fort Morbut, Aden, on the 20th day of February, 1933, to determine the state of the equipment detailed herein.

Commanding Officer

Dated 20th February, 1933.

We certify that the equipment shown herein has been surveyed by us, and that the condition is correctly shown.

C. N. SPENCER,
Captain, R.A.

A. J. CAULFIELD,
Lieutenant, R.A.

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* C 97851/32 [No. 21] : not printed † C. 97851/32 [No. 25] : not printed.
‡ C. 97851/32 [No. 18] : not printed.

Reference No.	*Part No. (if any)*	*Description of articles surveyed, arranged and described in accordance with the Vocabulary*	*Quantity*	*Condition of the stores as found by the Board*	*Recommended by the Board to be:—*	*Remarks*
				Unserviceable	Destroyed	
1.	2.	3.	4.	5.	6.	7.
		Rifles, Le Gras	7	7	7	
		Cartridges, S.A. Ball, Le Gras	41,000	41,000	41,000	Corroded through contact with water and condemned at annual Inspection of Explosives, 1932. Sentence approved by C.I.A. Woolwich No. C.I.A./6/2665. Recommended that they should be dumped in deep water, as cost of breaking down would exceed the value of produce

C. N. SPENCER,
Captain, R.A

Enclosure 2 in No. 87.

SUBJECT:—*Board of Survey—Residency Office.*

No. 25/150.

Headquarters,
British Forces, Aden,
7th October, 1933.

WITH reference to your office No. Aden/1417/- 2/E of various dates:—

Copies of Destruction Certificates, together with copy of Proceedings of the Board of Survey, are forwarded herewith.

Only 7 of the 13 Le Gras rifles condemned by the Board were dumped. The remaining 6 Le Gras rifles have been made serviceable by the use of parts of other rifles returned to store as unserviceable. These have since been re-issued.

F. D. FIELD,
Major, R.A.,
Commanding British Troops, Aden.

Certificate.

Certified that the undermentioned arms and ammunition were dumped in deep water, in my presence, on the 6th October, 1933:—

Rifles, Le Gras, 7.
Cartridges, S.A. Ball, Le Gras, rounds 41,000 (41 boxes).

C. N. SPENCER,
Captain, R.A.,
Armament Officer, R.A., Aden.

Aden,
7th October, 1933.

17901/33 [No. 38].

No. 88.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

SIR, 4, Millbank, S.W.1, 13th November, 1933.

WITH reference to our letter of the 18th October,* and to our verbal communication with your Department on the 10th November, I have the honour to transmit a copy of further correspondence with the War Office on the subject of the supply of Le Gras rifles for despatch to Aden

I have, &c.,
J. C. LAMONT
(for Crown Agents)

Enclosure 1 in No. 88.

GENTLEMEN, The War Office, S.W.1, 20th October, 1933.

WITH reference to your letter dated 13th October, 1933, I am directed to acknowledge the receipt of the draft for Frs. 185,105.00 made payable to the Caissier Payeur Central du Tresor in respect of the purchase of Le Gras rifles.

I am to state that in connexion with the request made by The Imperial Chemical Industries Metals, Ltd., referred to in this Department's letter of 2nd October, 1933, we have been informed (as communicated to you by 'phone on 18th October, 1933) that the French Government cannot undertake the transport of the six rifles to Enfield. Attached, however, is an estimate for carrying out this service which has been received from the Military Attache, Paris, and I am to ask to be informed in due course whether you wish this estimate accepted or prefer to make your own arrangements for transport.

I am to point out that customs duty is payable on all arms entering and remaining in this country and suggest you communicate with the Board of Customs and Excise regarding adjustment of tax if it is proposed to re-export.

I am to add that 600 rifles will be ready for delivery in November *vide* the attached copy of a letter from the Service des Cessions.

I am, &c.,

Director of Mechanization.

To Crown Agents for the Colonies.

Enclosure 2 in No. 88.

SIR, 4, Millbank, S.W.1, 2nd November, 1933.

I HAVE the honour to refer to your letter of the 20th October and to subsequent telephonic conversations advising us that it is considered necessary for six Le Gras rifles to be obtained from France in order that two rifles may be selected for loan to the Imperial Chemical Industries, Ltd We shall be glad if you will request the Military Attache, Paris, to arrange for the immediate despatch of the rifles, as the firm already has ammunition awaiting test.

2. In order to minimize the cost of eventual despatch to Aden, will you kindly arrange for all six rifles to be forwarded to the I.C.I., indicating those which should be used for testing purposes.

3. Your remarks respecting Customs duty are noted.

I have, &c.,
(for Crown Agents).

To the Under-Secretary of State,
War Office.

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* No. 86.

17901/33 [No. 41].

No. 89.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE

[*Answered by No.* 91.]

SIR, 4, Millbank, S.W.1, 6th December, 1933.

WITH reference to our letter of the 13th November,* I have the honour to enclose a copy of a report which we have received from the War Office on the examination of the 200 Le Gras rifles, together with a letter and a translation of its enclosure from that Department, as to the delivery of the remaining 400 of the initial consignment of 600 rifles urgently called for by the Resident, Aden

2. Steps are being taken with a view to the early shipment of the 200 rifles in question. It will not be possible to send them direct from Havre to Aden: the quickest route is via London with transhipment here into a Peninsular and Oriental steamer.

3. The six rifles for testing the ammunition for the Le Gras rifles have now been received by the Imperial Chemical Industries, Ltd.

I have, &c.,
J. C. LAMONT,
(for Crown Agents).

Enclosure 1 in No. 89.

REPORT ON INSPECTION OF 200 LE GRAS RIFLES UNDERTAKEN AT HAVRE.

THE 200 rifles were inspected and 7 of these were shot on the range. The rifles had been stripped, rebrowned, and polished and the arms reassembled.

Many had been fitted with their own bolts. However, those without corresponding numbers fitted the rifles in which they were assembled. so that no difficulty was experienced in this direction. The main trouble experienced was the number of bolts fitted with strikers, which gave too much protrusion. As there was a considerable number of spares available and men were present to effect the exchanges required, time was not unduly wasted.

The barrels on the whole are good, the rifling on the part-worn ones being in good condition. Several barrels required cleaning to remove rust.

The woodwork is good and there was only one stock which required rectification.

The rifles for shooting were selected at random, and considering make and date of the model and ammunition, accuracy was good.

The chests supplied were of new manufacture, lined with grease paper and supplied with fittings to take 18 rifles. This left two rifles over, and consequently one case was slightly modified to take these two, thus the consignment consists of 10 cases each containing 18 rifles and 1 case containing 20.

The rifles were well greased and on completion of packing the chests were sealed. This was completed about midday on Thursday, 16th, and the party returned to Enfield, leaving Havre by the night boat on that date.

With regard to the remainder of the rifles to complete the 2,950. the staff at Havre were of the opinion that it would be about the end of March before they were all ready, but I understand from the Military Attaché (Colonel Heywood) that the question of increasing the staff at work on this contract is being taken up with the French Military Authorities.

Enclosure 2 in No. 89

GENTLEMEN, War Office, S.W.1, 30th November, 1933

I AM directed to transmit herewith a copy of a reply received from the French authorities regarding your request of 13th November, 1933, relative to the delivery of the Le Gras rifles.

I am, &c.,

(for Director of Mechanization).

To Crown Agents for the Colonies.

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* No. 88.

DEAR SIR, French Ministry of War, 22nd November, 1933.

IN reply to your letter of the 18th November, I have the honour to inform you that in order to expedite delivery of the 2,950 Le Gras rifles which are to be transferred to your Government, instructions have been given for 400 rifles to be withdrawn from the stocks of the Versailles Repair and Upkeep Depot and particularly for measures to be taken by that Department for their expeditious inspection

I will not fail to acquaint you with the date on which delivery of this material at Versailles will be able to begin.

LOUIS BARJOU (Colonel),
Chief of the Service of Delivery of
Material to Foreign Countries.

Colonel Heywood,
British Military Attaché.

17901/33 [No. 43].

No. 90.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 2.36 p.m., 21st December, 1933.)

TELEGRAM.

21ST DECEMBER. No. 309. Reference correspondence forwarded with your despatch of 23rd November, No 144.* Stock of Le Gras rifles exhausted. Request that 600 Le Gras rifles be despatched to Aden urgently.

17901/33 [No. 44].

No. 91.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

[*Answered by No.* 92.]

GENTLEMEN, Downing Street, 22nd December, 1933.

WITH reference to your letter of the 6th December,† regarding the supply of rifles to the Residency at Aden, I am directed by Secretary Sir Philip Cunliffe-Lister to transmit to you the accompanying copy of a telegram‡ from the Resident reporting that the stock of Le Gras rifles is exhausted, and asking that the 600 rifles already ordered may be despatched urgently.

2. The Secretary of State would be glad to learn whether any further steps can be taken to hasten the delivery of the balance of these 600 rifles. I am also to inquire whether the arrangements for the despatch of the initial 200 rifles are yet known.

I am, &c.,
H. R. COWELL

17901/33 [No. 45].

No. 92.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

SIR, 4, Millbank, S.W.1, 30th December, 1933.

WITH reference to your letter of the 22nd December,§ I have the honour to inform you that it is expected that the initial 200 Le Gras rifles required for despatch to the Resident, Aden, will be forwarded from Havre to London this week-end for transhipment into the s.s. *Comorin* due to arrive at Aden on 21st January. The Secretary of State will no doubt advise the Resident accordingly.

2. The War Office have been asked to hasten delivery of the remaining 400 of the 600 urgently required rifles and a further communication will be addressed to you as soon as a reply is received from that Department.

* 17901/33 [No. 39] : not printed. † No. 89. ‡ No. 90. § No. 91.

3. I take the opportunity to enclose a copy of a letter from Imperial Chemical Industries, Limited, regarding the tests which have been carried out in connexion with the cartridges for the Le Gras rifles. The ammunition was shipped by the s.s. *Rawalpindi* on the 22nd December.

4. The request contained in the last paragraph of Imperial Chemical Industries' letter is receiving attention.

I have, &c.,
E. G. MAUNDER
(for Crown Agents).

Enclosure in No. 92.

I.C.I Metals Limited, Kynoch Works, Witton,

GENTLEMEN, Birmingham, 8th December, 1933.

WE have pleasure in advising you that the whole of the cartridges against the above order are now completed and tests have been carried out in the two Le Gras rifles which were recently sent to us by the Chief Inspector of Small Arms, Enfield Lock.

We now confirm that the ammunition we have manufactured functions correctly in these rifles and we enclose for your information copies of our firing proof reports.*

We also enclose our amended advice note* giving full particulars for shipping and Custom's purposes and we shall be glad to receive your shipping instructions as soon as possible.

We shall also be glad to have disposal instructions for the six rifles which were sent to us by the Chief Inspector of Small Arms.

We are, &c
(for I.C.I. Metals, Ltd.),
J. A. SMITH,
Manager, Metallic Ammunition Department.

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2. REPORTS ON VISIT TO ISLAND OF SOCOTRA AND THE HADRAMAUT; EASTERN LIMITS OF ADEN PROTECTORATE AND LIMITS OF JURISDICTIONS OF ADEN AND PERSIAN GULF RESIDENCIES.

17955/33 [No. 13].

No. 93.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 10th April, 1933.)

[*Answered by No.* 95.]

(Confidential.)
(No. 66.)

SIR, The Residency, Aden, 27th March, 1933.

I HAVE the honour to refer to your telegram dated 2nd February, 1933,† and to state that H.M.S. *Penzance* arrived in Aden on the 23rd February and that I left in her for Socotra on 28th February accompanied by Captain H. V. Rose, Personal Assistant, and Flying Officer J. R Wemyss, Air Force, and returned to Aden on 12th March, after visiting the islands of Abd-el-Kuri and Socotra and the ports of Qishn, Mukalla (from which I made a journey inland to the Hadhramaut valley), Bir 'Ali, and Balihaf. I wish to express my thanks for the arrangements that were made by the Admiralty at the request of the Colonial Office to enable me to undertake this journey, and my obligation to Commander A. R. Farquhar, D.S.C., R.N., and the officers of H.M.S. *Penzance* for making it a very pleasant one.

2. Some points in my tour may be of interest.

3. As far as I know, the island of Abd-el-Kuri has never previously been visited by officials from Aden. It is about 4 miles in length and barely 2 miles in width at

* Not printed. † 17955/33 [No. 6] : not printed.

its narrowest point in the centre, where there is an anchorage on the southern side, from which we walked across to the northern shore. The island is devoid of vegetation and its few wells are brackish. The inhabitants, who are said to number about 200, live in primitive hovels and subsist on fish and food brought to them by occasional dhows from Arabia and Africa. Money is practically unknown, and the people deal with the dhows by bartering fish and shells for their requirements. They acknowledge the sovereignty of the Sultan of Socotra, who has a representative on the island.

4. The large island of Socotra (about 70 miles in length and 20 to 30 in width) presents a striking contrast to the desolate Abd-el-Kuri. Its thickly wooded hills rise to peaks of 4,000 and 5,000 feet from which streams descend to villages of small, neat houses surrounded by plantations of date trees, patches of water melons, and pasture for sheep and goats and the straight-backed breed of cattle peculiar to Socotra. The present Sultan of Qishn and Socotra, Sultan Ali bin Ahmed Towari bin 'Afrar, has recently been elected in succession to his cousin Sultan Abdulla bin 'Isa. He flies a Union Jack on his dar, and his people appear to be simple and friendly. At his own suggestion he accompanied me in H.M.S. *Penzance* to Qishn, the capital of his Mahri territory on the mainland of Arabia, in order to expedite a settlement of the difficulty about the establishment of an emergency landing ground for the Royal Air Force there, to which references have been made in recent Aden Political Intelligence Summaries (paragraphs 2203 and 2275).*

5. On our arrival at Qishn the local objections to the landing ground were withdrawn, and the Royal Air Force Officer who accompanied me arranged for the clearing and marking of a suitable site. I accordingly removed the economic pressure which (as reported in Political Intelligence Summary, paragraph 2275) had been put on the Socotrans and Mahris. The co-operation of the Qu'aiti authorities in enforcing this pressure contributed largely to its success, their refusal to admit two Mahri dhows to the port of Mukalla having made a strong impression. The people of Qishn gave us a friendly reception and appeared to welcome the close of the landing ground controversy.

6. I took the opportunity of my visit to the Sultan of Qishn and Socotra to consult him regarding the eastern boundary of his mainland possessions, with regard to which the British Resident in the Persian Gulf has lately raised a doubt. The Sultan was rather vague about the question, the decision of which, he said, he would leave entirely to me; but there was a general concurrence among his principal advisers that the boundary between his territory and that of the Sultan of Muscat is at Ras Darbat 'Ali, in spite of the fact that there are Mahris living in the villages of Kharifut and Rakhyut to the east of this point. I am therefore of opinion that Ras Darbat 'Ali may be accepted as being the eastern limit of the Aden Protectorate.

7. At Mukalla we were received, with his customary courtesy and hospitality, by Seyyid Bubakr bin Husein bin Hamid al Mihdhar, the representative of Sultan Umar, who, as usual, was absent in India. We were here met by Group-Captain Boyd, who had arrived from Aden with Colonel Lake, Squadron-Leader Rickards, Squadron-Leader Russell, and Flying Officer R. H. Harris, and were flown to Shibam, about 100 miles from the coast, the principal town in the Qu'aiti portion of the Hadhramaut valley. Both here and in the Kathiri towns of Seyyun, Ghurfa and Tarim, to which we travelled by motor car, we were welcomed with a great display of cordiality and hospitality. This was the first visit by a Resident of Aden to the valley of the Hadhramaut, and the reception accorded to us by the Qu'aiti Governor of Shibam, the Kathiri Sultan of Seyyun and the Al Kafs and other merchants of Tarim, and the friendly demeanour of the people in general are indications that the inhabitants of this area no longer deserve the reputation for a fanatical dislike of strangers which they had until lately, and which was evident at the time of the journeys of the Bents and Leo Hirsch in 1893. This change of attitude is attributable to the close connexion that has been established by many Hadhramis with Singapore and Java, where they have acquired wealth and an acquaintance with the modern world, and to the visits of officers of the Royal Air Force at Aden, notably Squadron-Leader A. R. M. Rickards, A.F.C., and of travellers such as Mr. Van der Meulen and Colonel Boscawen, who have established friendly personal relations with the principal people in the valley.

8. The appearance and peculiar characteristics of the astonishing succession of mud-brick towns and villages which line the broad valley of the Hadhramaut in the heart of a great area of rocky and desolate waste, and the degree of their civilisation and modern development has in recent years been made known to the outer world by the

* Not printed here.

aerial photographs taken by Squadron-Leader Cochrane, Squadron-Leader Rickards, and other officers of the Royal Air Force, and by the descriptive books of Van der Meulen and Von Wissmann, and of Herr Helfritz. A visit to them is an interesting experience, and mine has given me a vivid impression of the crowded "sky-scrapers" of Shibam, the picturesque palace of the Kathiri Sultan which dominates the walled city of Seyyun and its surrounding villas and gardens, and the elaborate residences of the wealthy merchants of Tarim.

9. Throughout there is a strange mingling of the ancient and the modern—motor cars, garages, and electric light intruding into communities which still indulge in internal feuds and warfare that necessitate walled defences between neighbouring villages and trenches for the protection of cultivators against the sniping of their enemies The authority of the Kathiri Sultan is limited to Seyyun and a few other places and is openly repudiated elsewhere; while the position of the titular Sultan of Tarim is so feeble that he lives in Seyyun and contents himself with a representative in Tarim who is entirely overshadowed by the local Seyyids and especially by the members of the wealthy and powerful family of the Al Kafs, who were our hosts in this town. The Qu'aiti Governor of Shibam is said to have better control and to maintain more order in his end of the valley, although his appearance does not suggest a strong ruler.

10. The more enlightened Arabs of the valley are keenly alive to the disadvantages of the lack of efficient government, and they also feel acutely the drawbacks of their isolation from the outside world and the absence of easy communication with the sea. The Al Kafs have been making, at their own expense, a motor road from Tarim to connect with the Qu'aiti port of Shihr, about 34 miles east of Mukalla, and have overcome tribal and other difficulties to the extent of completing its construction for most of the distance. A portion over the mountain ridge near the sea is still unmade, and here the promoters of the road are encountering local obstruction secretly inspired, in their opinion, by the Qu'aiti Government, which dislikes a scheme that may tend to loosen its present grip on the land-locked Kathiris I found that it is the fashion in the Hadhramaut to attribute most political and economic ills to the supine selfishness of the absentee Sultan Umar of Mukalla, who is alleged to waste his time and his revenue in Hyderabad and to obstruct all progress in both the Qu'aiti and the Kathiri territories. The accusation of malevolence is exaggerated, but the charge of neglect and avarice is well founded.

11. The Kathiris, who were in former times in control of the whole country, would like to be rid of their economic and political dependence on the Qu'aitis, and to have direct relations with the Aden Residency, from which they hope to receive encouragement and support in the improvement of their country and its emancipation from Qu'aiti ascendancy. This desire is a natural one, but it is necessary for the British authorities at Aden to deal very cautiously with their aspirations I am personally in favour of cultivating good relations with the Kathiris, whose extensive interests in Singapore and Java give them an importance beyond the limits of the Aden Protectorate, and of encouraging them in their plans for the betterment of their country. But our friendly interest in the fortunes of the Kathiris ought not to be allowed to prejudice our old-standing relations with the Qu'aiti authorities of Mukalla, who control the coast line and whose friendship is one of far more practical value to His Majesty's Government than that of the Kathiris. I made it clear both at Mukalla and at Tarim that I had no intention of sacrificing old friends for new, but I urged on the Qu'aiti Regent at Mukalla the desirability of helping the Kathiris in their reasonable aspirations, and on the Kathiri Sultan and the Al Kafs the importance to them of preserving good relations with Mukalla.

12. At Shibam the principal subject on which the local Qu'aiti Governor dwelt was his alleged fear of the possibility of a Zeidi advance against the Hadhramaut through Beihan. I reassured him on this point, and told him that His Majesty's Government had no intention of permitting Zeidi penetration into Beihan, and that they fully realized that it commanded the road from the Yemen to the Hadhramaut.

13. I am indebted to Group-Captain O. T. Boyd, O.B.E., M.C., A.F.C , for arranging the flight to and from Shibam. The details of our journey in the Hadhramaut were dealt with in his usual efficient manner by Squadron-Leader A. R. M. Rickards, A.F.C., R.A.F., whose energy, tact and popularity with the Arabs throughout the

Aden Protectorate have been of great political value during his five years' service in Aden, which has now unfortunately come to an end. I shall be glad if an appreciation of his work in the Protectorate from a political viewpoint can be conveyed to the Air Ministry.

I have, &c.,
B. R. REILLY,
Resident, &c.

17955/33 [No. 14].

No. 94.

COLONIAL OFFICE to INDIA OFFICE.

[*Answered by No.* 96.]

Downing Street, 29th April, 1933.

SIR,

I AM directed to refer to the letter from this Department of the 13th of February* and to previous correspondence regarding the proposal of the Resident at Aden to visit Socotra and certain outlying parts of the Aden Protectorate, and to transmit to you, to be laid before Secretary Sir Samuel Hoare, a copy of a despatch† from the Resident containing a report on his tour. Copies of letters on the subject which are being addressed to the Admiralty‡ and Air Ministry§ are also enclosed.

2. It will be observed from paragraph 6 of this despatch that Colonel Reilly expresses the view that Ras Darbat Ali may be accepted as being the eastern limit of the Aden Protectorate. In this connextion attention is invited to Mr. Laithwaite's letter, of the 11th July, 1930,‖ to Mr. Cowell, in which reference is made to the claim of the Sultan of Muscat that the boundary between his territory and the Aden Protectorate is at Ras Darbat Ali. In view of the opinion expressed by the Resident at Aden the Sultan's claim will no doubt now receive further consideration.

3. A copy of this correspondence is being sent to the Foreign Office.

I am, &c.,
G. F. SEEL.

17955/33 [No. 17].

No. 95.

THE SECRETARY OF STATE to THE ACTING RESIDENT.

(Confidential.)

Downing Street, 29th April, 1933.

SIR,

I HAVE the honour to acknowledge the receipt of Colonel Reilly's Confidential despatch No. 66 of the 27th of March,† regarding his visit to the Islands of Abd-el-Kuri and Socotra, and to certain outlying parts of the Aden Protectorate. This despatch has been read with much interest.

2. The Resident's expression of thanks in paragraph 1 for the arrangements made for his journey and his appreciation in paragraph 13 of the work of Squadron-Leader Rickards are being conveyed to the Admiralty and the Air Ministry, respectively.

3. With reference to the opinion expressed by the Resident in paragraph 6 of his despatch that Ras Darbat Ali may be accepted as being the eastern limit of the Aden Protectorate, attention is invited to the late Sir Hugh Biscoe's letter of the 24th of February, 1930,¶ to the Government of India (a copy of which was sent to Aden direct) regarding the claim of the Sultan of Muscat that the boundary between his territory and the Aden Protectorate is at Ras Darbat Ali. Steps are being taken to bring Colonel Reilly's views to the notice of the Secretary of State for India, in order that the claim of the Sultan of Muscat may now receive further consideration.

I have, &c.
(for the Secretary of State),
PLYMOUTH.

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* 17955/33 [No. 9] : not printed. † No. 93 ‡ 17955/33 [No. 15] : not printed.
§ 17955/33 [No. 16] : not printed. ‖ C. 79067/30 [No. 36] : not printed.
¶ Enclosure C. 79067/30 [No. 23] : not printed.

17955/33 [No. 19].

No. 96.

INDIA OFFICE to COLONIAL OFFICE.

[*Answered by No.* 97.]

India Office, S.W.1, 19th May, 1933.

SIR,

I AM directed by the Secretary of State for India to acknowledge receipt of your letter of 29th April* enclosing copy of a despatch† from the Resident at Aden on his recent visit to Socotra and certain outlying parts of the Aden Protectorate.

Secretary Sir Samuel Hoare notes that Colonel Reilly expresses the view that Ras Darbat Ali may be accepted as being the eastern limit of the Aden Protectorate, and he would propose, subject to the concurrence of Secretary Sir Philip Cunliffe-Lister, to inform the Government of India that the claim of the Sultan of Muscat that the point in question is the western boundary of his territory may be admitted, and that the limits of the respective jurisdictions of the Resident in the Persian Gulf and the Resident at Aden should be fixed accordingly.

I am, &c.,
J. C. WALTON.

17955/33 [No. 21].

No. 97.

COLONIAL OFFICE to INDIA OFFICE.

Downing Street, 20th June, 1933.

SIR,

I AM directed by Secretary Sir Philip Cunliffe-Lister to acknowledge the receipt of your letter of the 19th May‡ regarding the boundary between the territories of the Sultan of Muscat and the Aden Protectorate.

2. Sir Philip Cunliffe-Lister agrees that, in accordance with the Sultan of Muscat's claim, Ras Darbat Ali may be accepted as the western boundary of the Sultan's territories, and that the limits of the respective jurisdictions of the Resident in the Persian Gulf and the Resident at Aden should be fixed accordingly; and he concurs in Secretary Sir Samuel Hoare's proposal to inform the Government of India accordingly. A copy of a despatch§ which has been addressed to the Acting Resident at Aden is enclosed.

3. A copy of this letter is being sent to the Admiralty, Foreign Office, and Air Ministry.

I am, &c.,
H. R. COWELL.

17955/33 [No. 20].

No. 98.

THE SECRETARY OF STATE to THE ACTING RESIDENT.

(Confidential.)

Downing Street, 20th June, 1933.

SIR,

I HAVE the honour to refer to paragraph 3 of my confidential despatch of the 29th April,‖ which deals with the boundary between the territories of the Sultan of Muscat and the Aden Protectorate, and to enclose, for your information, the accompanying copy of correspondence¶ with the India Office on this matter.

2. You will see that the Secretary of State for India proposes to inform the Government of India that, in accordance with the claim of the Sultan of Muscat, Ras Darbat Ali may be accepted as the western boundary of the Sultan's territories, and that the limits of the respective jurisdictions of the Resident in the Persian Gulf and the Resident at Aden should be fixed accordingly.

I have, &c.,
P. CUNLIFFE-LISTER.

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* No. 94. † No. 93. ‡ No. 96. § No 98. ‖ No. 95. ¶ Nos. 96 and 97.

17903/33 [No. 30].

No. 99.

ADMIRALTY to COLONIAL OFFICE.

SIR, Admiralty, S.W.1, 30th June, 1933.

I AM commanded by My Lords Commissioners of the Admiralty to transmit for the information of the Secretary of State for the Colonies extracts from a report of proceedings of H.M.S. *Penzance* covering the period March, 1933.

I am, &c.,
J. S. BARNES.

Enclosure in No. 99.

(Extract.)

SIR, H.M.S. *Penzance*, at Jeddah, 3rd April, 1933.

* * * * * * * * *

Abd el Kuri.

2. As reported in my previous letter of proceedings, H.M.S. *Penzance* sailed from Aden on 28th February, 1933 . . . . . and arrived off the island of Abd el Kuri at 13.30 on 2nd March. I accompanied the Chief Commissioner, Aden, ashore for an hour or two, which visit is more fully described in Enclosure No. 1.

Socotra.

3. Sailed the same evening and arrived at Socotra the next day, anchoring off the capital, Hadibo, at 8.30.

The Sultan of Quishn and Socotra called on the Chief Commissioner on 4th March, and was saluted with 11 guns on landing. The Chief Commissioner was saluted with 13 guns on leaving the ship to return the call.

4. Some trouble had been caused at Quishn (on the mainland of Arabia) which is part of the Sultan's dominion, by the local authorities obstructing a Royal Air Force Officer who was endeavouring to construct a landing ground there, part of the chain required along the south Arabian coast by the Royal Air Force as far east as Ras Merbat. In consequence of this unsatisfactory attitude, the Chief Commissioner had ordered a cessation of all local trade with Quishn and Socotra. In actual fact his orders were not likely to prove as far reaching as the Sultan feared, but fortunately the Wazir at Mukalla had sent back a couple of dhows, and refused them leave to trade. As the Sultanate of Quishn and Socotra had dhows as far away as Muscat, Basra, Bombay, and Zanzibar, they jumped to the conclusion that the embargo would be as effective in those far-distant ports as it had proved at Mukalla. They rely on these dhows for imports of food, &c., and as the south-west monsoon is approaching, when dhow traffic ceases, they had visions of being starved.

5. The Sultan, therefore, was urgent in his appeals for the embargo to be raised. He has just recently succeeded his cousin, who died last year, and his control is not very effective. In addition, he is a spineless individual eternally wrapped in [?] inspissated gloom. As a result of many hours' talk he declared it was no use his writing to his officials at Quishn and that he must come himself.

Quishn.

6. I therefore gave him and eight tatterdemalions passage to Quishn, sailing from Socotra at 7.15 on 5th March. *Penzance* arrived at Quishn at 7.00 on 6th March, and landed the Sultan and his party for further conversations with his people. The final result was a withdrawal of all opposition to work on the landing ground, and the local notables came off to call on the Chief Commissioner.

In the afternoon Colonel Reilly landed, and I accompanied him to the Government Dar where, in an upper room which the sea breeze kept delightfully cool, the Sultan was informed that the embargo on the trade of Quishn and Socotra would be withdrawn.

7. The democratic nature of the Arab, as well as his respect for his leaders, was well exemplified on this occasion. The room was packed with men, boys, and slaves, all squatting round, and outside the door was a crowd for whom there was no room inside. Nearly all the men carried rifles, many much bound about with

silver wire. Absolute order and quietness prevailed and no one spoke out of his turn, and the arguments and speeches of the leaders, as well as the Chief Commissioner's remarks, were carefully listened to. There was an air of dignity about the whole proceedings as well as the participants, despite the, to Occidental eyes, tawdry nature of the surroundings; the walls of the room being much hung with cracked and fly-blown mirrors, cheap and ugly plates of European pattern, as well as one or two remarkably ugly paintings on glass of a gryphon-like animal, presumably meant to be a horse. The many colours of the turbans and clothes helped one to forget the fact that in many cases the shirts could not have been washed for a very long time

Not even the Chief Commissioner's assurance that the embargo would be immediately lifted lightened the Sultan's gloom. To his anxious inquiry as to when Aden and other ports would know, Colonel Reilly replied: "Aden in two hours, and I can talk to the whole world by the man-of-war and they will know to-morrow." Then at last relief was faintly portrayed.

Mukalla.

8. H.M.S. *Penzance* sailed from Quishn at 16.00 on 6th March and arrived at Mukalla at 10.00 on 7th. The Wazir Seyyid Bubakr Bin Husein Bin Hamid al Mihdhar, with various other notables, called on the Chief Commissioner and was saluted with 11 guns on leaving.

Later in the day the Chief Commissioner returned his call and was saluted by *Penzance* with 13 guns on landing. After tea the Chief Commissioner, myself, and several officers, were taken for a drive to the Sultan's summer palace, and to see the local waterworks, which appeared to provide excellent breeding grounds for mosquitoes.

That night, I and two officers accompanied Colonel Reilly to a dinner given by the Wazir. During dinner the Sultan's brass band played an excruciating selection of "music," of which the only tune faintly recognizable was "A bicycle made for two," although we were informed that all the latest (!) European tunes were being played in our honour.

9. On 8th March I accompanied Colonel Reilly by air to the Wadi Hadramaut. This is fully reported in Enclosure No. 2. We returned to Mukalla on 10th March.

On my return the First Lieutenant reported that it had been discovered that smallpox was prevalent in Mukalla. The local native doctor had concealed the fact, and it was only discovered by chance Fortunately the Surgeon-Lieutenant found out that the local doctor still had in his possession the whole of a stock of vaccine which the Royal Air Force had specially brought by air only a short time previously. The scoundrel had not made the slightest attempt to use it, and thus save many unfortunates. The entire ship's company, officers and men, were immediately vaccinated, and no sickness was experienced.

Bir Ali.

10. Sailed for Bir Ali at 21.30 on 10th March, arriving at 7.15 on the 11th. Colonel Reilly landed and was saluted by the local fort, re-embarking again after a short interview with the Sultan. Ship sailed for Bal Haf at 9.20.

Bal Haf.

11. Having arrived there, no one came off, and as it was not a very important place the Chief Commissioner decided not to wait, so sailed for Aden at noon.

Aden.

12. Arrived at Aden on 12th March and discharged the Chief Commissioner and his party to the shore.

I have, &c.,
A. R. FARQUHAR,
Commander-in-Command.

The Secretary of the Admiralty.

(Copies to:—
The Commander-in-Chief, Mediterranean.
The Senior Officer, Red Sea Sloops.)

Visits to Abd el Kuri and Socotra.

2nd March, 1933. Called for a few hours at the island Abd el Kuri (50 miles west of Socotra), where there are about 200 inhabitants all told, who live a life of the direst penury and discomfort in small houses built up of loose stones and rarely more than 6 feet high. They have no money, but have seen a dollar (Maria Theresa) and know what it means, but are not familiar with other money. They sell fish and shells to samboaks, which come from the mainland (Arabia and Italian Somaliland) with food, and this is their only means of supply as the island produces nothing.

2. For some four months or so during the south-west monsoon all communication is cut off. The only boats they have are dug-outs for fishing; no samboaks or dhows.

3. H.M.S. *Penzance* anchored on the south side of the island in Bander Leven, but shoal water encumbers the head of the bay. The well marked on chart is brackish, as is also the well in a settlement some 600 yards up the wadi which runs inland northerly from the head of the bay. This settlement consists of about a dozen huts. The best water is obtainable on the north shore (but even this is brackish), where there are a few more huts. Two sheep, a few fowls, and goats were seen.

4. There is an Aqil (headman), who represents the authority of the Sultan of Socotra, but he lives at the west end of the island.

5. The statement in the Sailing Directions that this island is rarely visited is incorrect, as the natives said that many samboaks came during the fine weather season. Incidentally there were two at anchor in the bay when *Penzance* arrived, and a third had left the island as ship approached.

6. It would be difficult to imagine an existence of greater hardship and penury, yet one native who had left the island in his youth and gone to the Arabian coast was apparently quite content to be back!

7. From Abd el Kuri, *Penzance* proceeded to Socotra and anchored off the capital, Hadibo, at 8.30 on 3rd March, 1933. The alternative name, Tamrida, given on the chart is a survival of the time when the Portuguese were an important factor, and is never used now. In fact, only the intelligent natives know what is meant when Tamrida is referred to.

8. Hadibo is a very clean little town, set in date palm groves and gardens which produce melons, pumpkins, &c. It is backed by a towering range of hills To the eastward are more date palms in surroundings which, to eyes jaded by the general aridity of Arabia, are both rare and refreshing. Streams with running water meander through the groves, the banks in many places edged with grassy strips. Through all was blowing the cool north-east monsoon. The sun, although powerful, was not unduly so, being tempered by the breezes.

9. The natives are *most* obliging, helpful, and thoroughly friendly, without that blatant curiosity which so often proves such a burden to visiting Europeans in many other parts of the world. It is high time that the legend that Socotra is populated by a savage and truculent race was finally dispelled, at any rate as regards the neighbourhood of Hadibo.

10. Incidentally, it was only the fact that there was no harbour in the island which decided England to take Aden. In 1835 Haines, who was afterwards the first Resident at Aden, was sent to inspect the island; hence the chart (dated 1835). Had there been any harbour, it was proposed to make a coaling station in Socotra, and Aden was only occupied when the island proved unsuitable, although Aden is probably better placed strategically for control of the trade route, which of course in those days was practically non-existent, since the overland route via Suez-Alexandra was merely used for passengers and despatches. Climatically Socotra is far superior to Aden, and it is interesting to speculate on what the British position would be to-day had we occupied Socotra and some other Power taken Aden, when the Suez Canal opened.

11. The eastern end of the island is split into a northern and a southern half by a range of hills running roughly east and west. The result is that the natives have also become divided into two sections. The northern speak Arabic and the Socotrine dialect, but state that the dialect spoken by the inhabitants of the southern half is so different to their own as to be largely incomprehensible.

12. From Hadibo a track runs up a wadi whose entrance is some 5 or 6 miles to the eastward of the town. This track crosses the divide at a height of nearly 4,000 feet, and leads to the southern half of the island. There is another and easier way round (but much longer) by the wadi shown on the chart, with stream, palm trees and grassy slopes.

13. One of the most remarkable features of the island is the camels. They climb literally like goats, and when a party was ascending the wadi to the divide, camels were encountered at places on the track where men were not finding the going any too easy.

14. The new Sultan, who succeeded last year on the death of his cousin, is named 'Ali Bin Salim Bin Ahmed Bin Tow'Ari Bin 'Afrar, and is rather a spineless individual. He was away in the interior when ship arrived, but came in that evening. He is also Sultan of Quishn on the Arabian coast, but his authority there is not very great.

15. One of the reasons for the Chief Commissioner, Aden, visiting Socotra was on account of difficulties which the local authorities were putting in the way of a landing ground being made at Quishn for the Royal Air Force, and this finally necessitated the Sultan being embarked and taken across to Quishn, together with his advisers and servants.

16. The day the ship arrived at Hadibo and after the Chief Commissioner had interviewed the local authorities, a party was formed and we all walked some distance inland and camped at the entrance of a wadi leading to the divide. A suitable camping ground was found at the entrance to the wadi, above a stream which flows down the rocky bed, and this enabled us to enjoy a most refreshing bathe before turning in for a cool and comfortable night, untroubled by mosquitoes or insects.

17. Next morning the ascent was begun, following the track which is apparently the main line of communication between the two sides of the island. The scene was one of great beauty. Towering above us was the jagged skyline, the slopes being covered with various kinds of scrub and small trees. Underfoot were many small flowers, and at the side and below, the wadi bed with flowing water interspersed with deep pools, with enormous boulders tumbled in the bed. Looking back, a very fine panorama unrolled, with the plain intersected by palm-lined streams, and a glimpse of the sea between the hills. A cool breeze made climbing not too difficult. Colonel Reilly and I only went about one-third of the way, as he had to get back to interview the Sultan and settle the Quishn business, but the remainder went on for another 2 hours (making it a 3-hour climb from the camp at the wadi mouth) and reached the divide where a magnificent view to the southward was obtained.

The south side of the island lay below, with rolling downs covered in dragon's-blood trees and grass, and in the distance a palm-lined stream, with the ocean on beyond.

They finally reached the ship in the evening after a full 18 miles walk.

Narrative of a Visit to the Wadi Hadramaut.

Authorities.

I.D. 1128—Handbook of Arabia, Volume I, pages 217 to 236.

Hadramaut, by D. van der Meuleun and H. van Wissman; published by E. G. Brill, Ltd., Leyden, 1932. This book is absolutely reliable, van Wissman's map is the only real one available, and all users agree in its reliability and reasonable accuracy.

Chicago der Wust, by Hans Helfritz (1932); reported to be most inaccurate, as it was compiled by a man who knew little or no Arabic and kept no notes. Only useful for its magnificent photographs.

Lieutenant-Colonel the Hon. M. Boscawen, who has made two trips (1929 and 1932) in the Hadramaut and was met there on this third trip.

Squadron-Leader R. A. M. Rickards, R.A.F., who has flown over more of the territory than anyone else, and has also walked over a very considerable area including travelling from Shibam to Nossib, which has only once before been done, by Colonel Boscawen in 1932.

Personal observation for accompanying photographs and narrative of the visit.

Note.—Where pages are indicated, *e.g.* (page 235), the Handbook of Arabia, Vol. I, is always referred to.

As constant reference will be made to the Seyyids during this narrative, a word of explanation is inserted here.

2. (Page 221.) The Seyyids claim descent from the Prophet and hence have an odour of sanctity denied to the ordinary mortal. The original ancestor of the Hadramaut Seyyids came from Basra many centuries ago, and his tomb can be seen

not very far east of Seyim on the south side of the Wadi Hadramaut. Every Seyyid comes to pray here once a year, and on his return from a journey will visit this tomb before he goes to his home.

3. Many of the Hadramaut Seyyids have gone abroad to Java and the Federated Malay States and amassed riches and then returned to their native country. Where the Sultan or local ruler is weak, they have virtually assumed control, but only in indirect fashion. They never assume a gubernatorial position, but carry the weight due to their wealth and benefactions. They have, until recently at any rate occupied a privileged position, and in some ways have almost become a caste. This is contrary to Mahomet's precepts, and a school of thought is now arising which questions their right to the prefix and the respect due to the name of Seyyid (which claim is totally unsupported by the Koran, and is only hallowed by age-long custom).

4. The modern claims he can call himself Sayyid if he wishes to. This is anathema to the crusted Tory, and as a result in Java matters have reached such a stage that riots have occurred and the Dutch Government been obliged to interfere. To some extent the repercussions will no doubt be felt in the Hadramaut, but at present the Seyyid is enthroned in ancient dignity, and receives the homage of his less fortunate brethren.

5. Reference I.D. 1128, page 217—the final paragraph coincides more nearly with local parlance than the previous one as to the definition of "Hadramaut." Careful inquiries, both at Mukalla and inland, revealed a consensus of opinion that the true "Hadramaut" was the Wadi and its watershed, while admitting that people at a distance, without knowledge, would embrace the larger region when speaking of the Hadramaut. They always maintained, however, that the latter was incorrect.

6. One of the peculiarities of the Hadramaut is the manner in which so many of the men seek their fortunes overseas, while leaving their women behind. It is estimated that there are some 30,000 Hadramis in Java and Sumatra (chiefly the former). A smaller number go to Singapore and the Federated Malay States.

7. Many of the Seyyids, particularly the El Kaf family of Terim, own much land and house property in Singapore and are very wealthy, although even these people are feeling the effect of world conditions and are reported to have 500 houses unlet.

8. Colonel Boscawen stated that the El Kaf family alone pay £50,000 per annum in taxes in Singapore. This family at present consists of three brothers, whose father went to Singapore many years ago and became extremely wealthy. He made a trust of his fortune and his sons can only enjoy the income, and hence remain rich men, as they cannot touch the capital. These men also own the Europe Hotel and the Arcade at Singapore, and having returned to their native land insist on having the comforts of civilization, no matter at what cost. Hence the astounding features of electric light, ice-making plant, motor cars, &c., &c., in a land where *every* thing which is not produced locally is brought some 130 miles on the backs of camels and men.

9. There is a motor road from Terim towards Shehr, and one from Shehr extending inland. There is, however, a gap of a few miles where the pass of the coastal range has to be crossed, but this gap is not likely to be closed for some time. The completion of the road over the pass is not unattended with difficulties other than the purely physical ones.

10. The El Kafs and other Seyyids who have travelled the world naturally feel shut in at Terim, and desire access to the outer world where their business interests are, quite apart from the ensuing comfort of travel and the opening up of the country.

11. The Wazir at Mukalla, who is no fool, Seyyid Bubakr Bin Husein Bin Hamid at Mihdhar, professes himself favourable to the road, and in fact all authorities want roads not merely the Terim-Shehr one but others from Mukalla to Wadi Doan and Wadi Amd. The great stumbling block which the Wazir fears, is that once a road is built it will be available for transport of goods as well as passengers. At present, the Seyyids have promised the tribes through whose territory the road runs, that if the Terim-Shehr road is completed it will only be used for passengers and not goods, but they admit this will not be adhered to. Thousands of camel men will be thrown out of employment, as will also all the subsidiary trades dependent on the caravans, *i.e.*, coffee shops, foodstuff merchants, &c., &c., at Mukalla, besides the money these men spend in the bazaar there. The probability then is that the camel men will start rebellions and shootings.

It is realized that after some years the opening up of the country will probably remedy matters, and the camel men may combine in small numbers and buy a lorry,

and thus the camel will merely be displaced by cars and the transport trade remain in the same hands.

But without a strong government (at present non-existent) there will undoubtedly be grave upheavals when the camel men (all Bedu) find their trade cut from under their feet, their livelihood gone, and themselves faced with starvation, a state of affairs which is rarely far distant in Arabia.

12. It is not known how many cars there are inland, but Squadron-Leader Rickards once saw a "motor rally" at Terim and counted 75. Only three were British, the majority being American.

13. Omar el Kaf, in whose house the party stayed at Terim, has among his many cars an 8-cylinder Buick, and it is difficult to realize that this car was taken to pieces, engine, wheels, &c., packed on camels, the chassis and body carried by men over 130 miles of desert including at least a 4,000 foot climb over the coastal range, and finally reassembled by natives at Terim. When these Seyyids have to travel, they are carried in chairs when the limits of motor transport is reached: they never walk or ride a camel.

14. Page 223. But apart from these local curiosities, the outstanding feature of the Hadramaut is the astounding 7- or 8-storied houses and palaces which abound, all built of mud. The majority are, of course, left in the raw, but those belonging to the rich men and Sultans are whitewashed, and in many cases are picked out in blues, greens, pale browns, &c., and give quite a pleasing appearance as a contrast to the drab surroundings.

15. The Hadramaut has always been more of a closed book than a good many other parts of Arabia. Prior to 1930, it is believed that less than half-a-dozen Europeans had ever penetrated here, and of these no man (or woman including Mrs. Bent) had systematically explored the country. Some had done one part and some another, but the hostility generally shown to Europeans was a fairly effective bar, and Hirsch in 1893 (page 235) was only able to spend a few hours in Terim.

In 1931 Van der Meulen and Van Wissman visited the country and did a most extensive trip, full details of which are given in their book.

In 1929 Lieutenant-Colonel the Hon. M. Boscawen did his first trip, but he does not keep notes, or make maps, but just wanders about the country as he pleases. He is now (March, 1933) on the point of setting out on his third trip, intending to work northward with the S'a tribe (who are great raiders) and having skirted, or crossed, the south-west portion of the Rubh al Khali, come out at Jedda in the west or Dhofar in the east, depending on how circumstances eventuate.

16. Some years ago the Royal Air Force from Aden began flying over the country, operating from Fuwa aerodrome 5 miles west of Mukalla, but it was not until October, 1932, that Squadron-Leader R. A. M. Rickards established the first aerodrome at Hauta at the western end of Wadi Hadramaut. Another was opened at the end of 1932 at Shibam, and in late 1932 the Air Officer Commanding, Group Captain O. T. Boyd, A.F.C., landed with three planes at Shibam and visited Seyun and Terim.

17. In March, 1933, the Chief Commissioner, Aden, Lieutenant-Colonel B. R. Reilly, C.I.E., O.B.E., accompanied by Group Captain Boyd (Air Officer Commanding, Aden), Lieutenant-Colonel M. C. Lake, Political Officer, Captain H. V. Rose, Personal Assistant, Commander A. R. Farquhar, H.M.S. *Penzance*, and other Air Force Officers, in five machines, paid his first official visit.

18. On Wednesday, 8th March, 1933, the party left Fuwa aerodrome at 15.18 in five planes, proceeding at first to the eastward for a few miles and then turning inland for Terim. The maritime range was crossed at about 6,000 feet, and for the next quarter of an hour the country flown over was rugged in the extreme. (Page 218.) Then the Djol was reached. This is a peculiar formation, being quite flat and is probably an old sea bed. Colonel Boscawen states it is full of fossils. The plateau is intersected with wadis which, once the foothills are cleared, are not very deep, but a peculiarity is the mounds which project from this plain, also flat topped.

The planes kept at about 4,000 feet until nearing Terim, by which time height had fallen to about 3,000 feet and the planes were flying in the wadi, level with the Djol, which is about 1,000 feet above the Wadi Hadramaut. (Page 235.) From Terim down to Shibam the breadth of the wadi varies (at a guess) from 1 to 3 miles.

19. At Terim 16° N., 49° E.) there is a stream above ground, and it runs east for some 40 miles and finally disappears again. Another branch runs a short distance to the southward. From Terim west to Shibam, a distance of about 45 miles, the cultivation is practically continuous, with the exception of one small gap in the vicinity

of Mariamn, although it never extends across the wadi but is a strip, mostly on the south side, the northern side of the wadi not being so fertile.

20. (Page 234.) Finally the planes landed at Shibam, the flight from Terim having taken nearly half an hour, and provided a magnificent spectacle. The flat top of the sides is broken by spurs jutting out, marking where side wadis enter the main one. Below are fertile strips of date palms, fields, and gardens, and finally, dominating even the large scale of the scenery, are Seyun and Shibam, towns with their remarkable houses. Between the large towns are many villages, so that the eye is resting nearly all the time on the green of cultivation. The Air Force photographs in Van der Meulin's book show this very well, particularly the one of Seyun at page 120.

21. The populace were out in force and were kept back until the moment the last plane landed, when they swarmed everywhere, while a salute was fired from a fort on the top of the cliff forming the south side of the wadi.

22. One of the first things which is most noticeable in Arabia is that the average male carries a rifle in much the same way as an Englishman carries a stick, with a belt full of cartridges strapped round his waist, and a jambiyah, or curved dagger, in the front of his belt. They thus, combined with the long locks of hair worn by the Beduwin, present an aspect of some ferocity, which is as a rule entirely unfounded, at any rate when they are encountered under circumstances such as these. Possibly if met out in the desert, they might on occasion prove not so docile, but they are as a general rule not actively hostile to Europeans in districts where the latter are not a *rara avis*, and this is no longer the case in the Hadramaut. Rifles are common among the townsfolk as well as the Bedu.

23. Cars were waiting to take the party to the guest house. This belongs to Sheikh Bubakr, who is a rich merchant in Shibam and has two brothers. All three have been to Singapore. Here Bubakr read an address of welcome to the Resident, who had been received by the Sultan of Shibam, 'Ali Bin Salah al Qu'aiti, a somewhat cadaverous and melancholy looking individual who, however, is reported to exercise effective control.

24. Shibam is a Qu'aiti town, the same tribe as the Mukalla people, and the boundary between the Qu'aiti and Kathiri tribes lies not far east of the town.

25. Broadly speaking, Shibam is the commercial town, Seyun the seat of government (such as it is) and learning, and Terim the seat of learning in the Wadi Hadramaut, although Terim does not hold the same position as it did formerly.

26. The guest house is whitewashed, picked out with pale blue and green washes, and is spotlessly clean. At the back is a small swimming pool some 20 feet square, filled from a well by slave labour, the men and women walking down an inclined plane and so lifting the water-filled bags which tip into a channel, whence the water is led as desired. These men and women work at this water lifting from dawn to dusk. Occasionally a donkey provides the power, but nowhere were camels seen drawing the water as at Quishn, or bullocks as in India. The overflow from the bath is arranged to irrigate the palm trees when so required.

27. Besides the Sultan and Sheikh Bubakr and his brothers were all the local notables, and a most marked feature, which was first met here and continued everywhere throughout the visit was the extraordinary friendliness and evident desire to make everything as pleasant as possible.

It may here be remarked that this friendliness extended to a temporary suspension of hostilities between two rival factions.

28. The next day when the party was between Ghurfa and Seyun, the driver of his car remarked to Colonel Reilly, " you cannot, as a rule, come along here without an escort." The Resident remarked that he saw no escort, to which the driver replied, pointing to the small Union Jack flying on the bonnet, " That is our escort."

However, next day the cars on the return journey passed the north side of the wadi (the outward track had been the south side), so perhaps courtesy was not expected to last more than 24 hours!

Van der Meulen repeatedly refers to this ceaseless warring between factions and its fatal effect upon the country.

29. After tea and speeches, cars took the party to the town which is about a mile from the guest house. The chief features are the narrow streets between the high houses, the carved doors of the well-to-do-houses, and the Sultan's palace. Owing to the projecting arrangements of the soil pipes, it is equally necessary to watch your head as your step here. We were also shown houses belonging to the Bubakr family,

all beautifully clean inside, although the rooms were small compared to those houses seen at Seyun and Terim.

The inhabitants, while naturally curious to see the " Wali of Aden " as they all call the Chief Commissioner, were never unmannerly.

By this time it was getting dark, so we returned to the guest house for the night, and were left alone. As there was fortunately no official dinner, a peaceful evening and night was consequently spent.

30. The wadi is about 2,000 feet above sea level and blankets are necessary at night. By day it is, of course, hot, but by no means unduly so at this time of year, and the air very dry. In the height of summer the heat during midday and afternoon must be intolerable, but even then it must cool off at night.

31. Next day (9th March) Shibam was again visited for taking photographs, and it may be remarked there appeared to be no objection raised in photographing a mosque, a matter one is strictly warned against at Jedda under Wahabi rule.

32. The previous evening we had been joined by the doctor, Omar Hayatt (Edinburgh degree), who has been brought to Terim by Seyyid 'Abdurrahman Bin Sheikh al Kaf, at his expense, as town physician, there being no other medical man in the Hadramaut, as the Arabs know nothing of medicine by western standards.

Unfortunately, having performed this public spirited act, no further interest has been taken, and although the doctor has been two years at Terim not a single member of the Al Kaf family has ever visited his dispensary, and he finds it an uphill fight against Arab superstitions. He is a pleasant person and speaks quite good English, so is usually detailed to look after visitors. Colonel Boscawen was also in Shibam, waiting for the S'a tribesmen to come in and form his caravan. The Sultan had sent out for them, but it would be about four or five days before they could arrive.

According to the doctor, Omar Hayatt, in many cases slaves are treated better than servants.

33. The party set out for Seyun (page 235) in cars about 9.10 on 9th March. We were to lunch there and change cars, since our present hosts being Qu'aiti it would not do to arrive at Terim in any but Kathiri cars.

34. There is always rivalry between the Qu'aiti's and the Kathiri's, and the boundary between the two is only a short distance east of Shibam, the Qu'aiti sphere being to the westward and the Kathiri to the eastward.

The Qu'aiti cover roughly Mukalla-Shehr and surrounding country, the Wadis Amd, Do'an and Wadi Hadramaut up to Shibam inclusive.

The Kathiri east of Shibam, and the country north of Shehr on the northern side of the maritime range and extends up the Wadi Hadramaut as far as Bir Barhut, a deep cave and place of terror and mystery to the Arabs, which was first explored by Van der Meulen and Van Wissman in 1931, unless Colonel Boscawen had preceded them in 1929.

35. The great need of the country is for a strong government. The Arab always has a fissiparous tendency, and nowhere is it better illustrated than here.

Between Shibam and Terim, a distance of less than 50 miles, there are several rulers.

Shibam and to the westward to Wadis Do'an and Amd, by the Sultan 'Ali bin Salah al Qu'aiti, who is a Qu'aiti and appointed by the Sultan of Mukalla. His rule is effective and the area he governs fairly well run.

At Seyun is Sultan 'Ali bin Mansur bin Ghalib al Kathiri, at Kathiri, whose rule is not so effective. At Ghurfa, a few miles to the west of Seyun, there is no real governor but merely a local rich man who has established himself in control to a certain extent.

A private war is being, and has been, waged here for years, and the local trenches were seen just outside the town

36. The Sultan of Terim, 'Abdulla bin Muhsin (also Kathiri), lives at Seyun, and his control is nominal, as Terim is run by the Seyyids, of whom the chief are the El Kafs.

Elsewhere I refer to this Sultan being held up on the road between Seyun and Terim.

There are other villages along the wadi, of which it was stated, in reply to inquiries, that some obey the government and some do not.

Some 15 miles east of Terim is Enat, and here again is a different authority, the Seyyids being really in control here.

37. The road (or rather track) led through palm groves and past fields and villages, and certainly presented many interesting features.

Some houses have the four corners of the windows splashed with whitewash, which gives a look as though someone has been playing noughts and crosses!

The women wear high steeple crowned straw hats when working in the fields; this, combined with their flowing blue robe and dark features, gives them a very witch-like appearance. The vast majority are very shy and do not like to be photographed. On the other hand, when driving past a group on the roadside, there will nearly always be one among them whose predilection for the " glad eye " will overcome her fears. But the general rule is an immediate averting of the head and a masking of the face as soon as the presence of Europeans is realized.

38. After about an hour's drive, we reached Ghurfa. The road was lined by tribesmen and townspeople who presented a most picturesque appearance with their many hued garments, rifles, and daggers. A ragged *feu-de-joie* was fired, each man firing at least three or four rounds.

When it is realized that old .45 Lee Enfield ammunition costs 1 dollar (Maria Theresa) per three or four rounds, and each round of Mauser or Mannlicker ammunition costs a dollar a piece, and that the usual monthly earnings is about 10 dollars, it will be realized that a man who lets off three or four rounds is doing one honour at considerable expense to himself.

39. It is impossible to convey in words the picturesqueness of the scene. The dark faces aglow with curiosity and smiles, the variegated colours of their clothes and headdress, the ragged volleys (it is usual to smile hard and hope for the best as the muzzles are by no means all pointing upwards), all against the towering background of wadi cliffs, the town with the chief houses, the mosque and minaret, the Kabr or tomb of the local saint painted a dazzling white.

40. After a visit to the house of Obeid bin Abdad, the local big-wig, we proceeded for Seyun.

It was just after leaving Ghurfa that the incident related above of the Union Jack being adequate escort occurred.

41. (Page 235.) Arrived at the main gate of Seyun about 11.00, and the reception here was extremely well organized.

Lines of whitewash each side of the road marked the limits beyond which the crowd was not to encroach.

From the gate to the rest house, which is a sort of summer villa of the Sultans, is about half a mile, and the roadside was densely crowded, the colours being more variegated than any seen elsewhere. An outstanding feature was two dazzling white houses whose roofs were crowded with women in deep indigo blue clothes. Behind towered (literally) the palace of the Sultan, the square keep in the middle, with two black horizontal bands, flanked by tapering towers, and at the back and higher up the white palace of the Sultan of Terim, nephew of the Sultan of Seyun.

There was no *feu-de-joie*, the men lining the road presenting arms, in some cases reversed, but two old muzzle loaders emitted most satisfying bangs with volumes of white smoke at somewhat irregular intervals.

42. East of the Sultan's palace is a wide open space, and then further away the summer residences of the local notables and rich men, each standing in its garden and date-palm grove. Dry wadi beds intersect this area and form satisfactory roads, the whole being literally a garden suburb.

The rest house is white picked out with the usual blue, green, and rust-coloured washes, and in front of the two chief reception rooms is a colonnade facing a swimming pool some 40 feet square and 4 to 5 feet deep.

The pool is filled by a motor pump from a deep well close to, and by arranging the levels of the supply channels and drains, the overflow leads away to water the palms and garden.

The whole floor space was covered with rugs; some very good ones, but a fair number must have come from Axminster.

From the bathing pool one looks back at the two palaces of the Sultans, with some pale green Kabrs in the left foreground. As usual the sky line is the wadi cliffs.

43. The Sultan of Seyun, 'Ali bin Mansur bin Ghalib al Kathiri, and the Sultan of Terim, 'Abdulla bin Muhsin (nephew of 'Ali), and a large number of notables were assembled. Among them was Seyyid 'Abdurrahman bin Sheikh al Kaf, who practically rules Terim, as the Sultan of Terim nearly always lives at Seyun.

The Sultan 'Ali is head of the Kathiri tribe and his rule runs from just east of Shibam to Terim and beyond up to Bir Barhut. He is the ostensible ruler of the Wadi Hadramaut east of Shibam.

44. A speech of welcome was read by the 7-year-old son of the Sultan of Seyun, 'Ali bin Mansur, who has only one eye. The child was very intelligent looking and self-possessed. The usual tea, &c., was handed round, and then after about 10 minutes the notables withdrew and we were able to enjoy the swimming pool.

After bathing, an excellent Arab luncheon was provided, commencing with two entire sheep well stuffed with rice and etceteras, being placed on the table.

The experts said it was the best Arab meal they had ever experienced, and to the newcomer it certainly was very good.

Iced water was provided in large thermos flasks.

45. Later a call was paid on the Sultan of Terim, 'Abdulla bin Muhsin. His palace is smaller than that of his uncle, Sultan 'Ali, but everything was spotlessly clean. We sat on the floor in a small room with good rugs, but some very distressing European prints hanging on the wall with cheap mirrors rather spoilt the effect.

Another and larger room had some fine carved and fretted doors with old gold round the edges.

46. At Seyun an ex-King's African Rifles askari was seen, who had donned his war medals and was very pleased to be questioned about them

47. Left Seyun at 14.30 and proceeded for Terim. On the usual route via the main wadi are some villages whose inhabitants object to cars and Seyyids. We were told that it was better to take the motor road which has been made over two necks which project into the wadi. While it is true that the Sultan of Terim was recently held up here, the real reason for taking us that way was to show the road, since we returned via the main wadi next day without incident.

48. This road was made some time ago by Seyyid 'Abdurrahman bin Sheikh al Kaf to short circuit these obstreperous villagers and enable people to get from Terim to Seyun and Shibam.

The constructor is an Arab who had worked under the Italians at Asmara in Eritrea. He has made a good job although his gradients are rather steep. The road is just broad enough for one car, which must not have too long a wheel base, otherwise it will not be able to negotiate the hairpin bends.

We were fortunate in being able to persuade our driver to change into low gear when descending, instead of trusting to his brakes. Even then it was by no means a joy ride! Van der Meulen refers most feelingly to his experience when he was unable to persuade the driver to change down.

49. We were delayed three-quarters of an hour on the hills by a car breaking down and so did not reach Terim until nearly sunset, when we went to the house of Seyyid 'Umar bin Sheikh al Kaf, who has only recently returned from Singapore.

50 The women at Terim wear green or saffron coloured robes, whereas blue is the predominating colour elsewhere, and green was never seen anywhere except at Terim. A few saffron robes were seen on the way to Seyun and also on the coast at Mukalla. The green colouring is most effective.

51. (Page 236.) The Al Kaf family are virtually the rulers of Terim, as the Sultan does not carry much weight, and " money talks " in Arabia as well as New York.

The family have certainly done a good deal for the town, and give freely of alms and food to the poor, besides many other activities.

52. The houses of the rich Seyyids are many storied, and some have electric light plant besides ice-making machines and refrigerators; all of which, it must not be forgotten, comes up by camel transport.

'Umar al Kaf's house is gaudy, and there is too much of the bad European taste so common in such circumstances.

He himself is a sprightly man of about 32, with a pleasing face, and he was obviously doing his utmost to entertain us. But it was very much the rich Europeanized Arab doing the honours, and the simplicity of the Bubakar family at Shibam was lacking. (All the party remarked when we reached the guest house at Shibam next day that it was like getting home.)

There was no pretentiousness or ostentation there compared to Terim, and although it is perhaps ungrateful to cavil at our host's efforts, there was no doubt as to which we preferred.

53. A very large gathering of Seyyids and notables were assembled, and the usual speech-making was gone through.

Later some of us were able to escape to the swimming pool, which certainly was a most attractive one with one end framed in palm trees, and a nearly full moon shining over all.

A very pretentious European dinner, badly cooked, occupied a considerable portion of the evening, and we finally turned in a room so hung with gilt mirrors that even a professional beauty would have been satisfied. The electric light and fans failed, however, at 10 p.m., so the usual Arab touch was not lacking!

54. Next morning (Friday, 10th March) there was only time for a hurried look round at the old castle, the minaret, 125 feet high, reputed to be the highest in Arabia, and then back by the main wadi the whole way to Shibam without incident.

55. Terim is a place of learning, although now of lesser importance than Seyun, and people come from all over Arabia to study theology, the only subject taught.

56. Finally the passage back to Fuwa landing ground was made in just over an hour from Shibam, as we proceeded direct, the outward journey having been more roundabout.

The character of the country flown over was the same, with the exception that the maritime range is about 1,000 feet higher (some 6,000 feet) than further to the eastward.

57. So ended what was certainly a most interesting experience, and one which hitherto very few people have been privileged to undergo. The whole visit was one long series of outstanding contrasts. We covered in about one hour what the toiling caravans take at least 10 days to achieve. All told, nine Englishmen were assembled, and received with every mark of courtesy, respect, and attention, in a part of the world where since man first appeared on earth up to four years ago, only six Europeans had ever penetrated, and they did so at considerable peril and in grave discomfort.

58. In a few years, if the motor roads are built, Cook's no doubt will be running tours to the Hadramaut, but we have had the privilege of seeing the first pages being turned of a hitherto practically sealed book, and the Navy has now penetrated (by courtesy of the Royal Air Force) to parts it has never reached before.

59. From the point of view of government, quite apart from the sentimental side, the control from Aden of this district, which at present is purely nominal, will be much facilitated now personal contact has been established between the Resident and the local rulers.

60. While it is not British policy to interfere with these people, yet questions do crop up in which both sides are interested, and although the keystone of our policy is friendship with the Qu'aiti with whom we have treaties of long standing, yet it will not be impossible to assist the Kathiri at the same time without in any way sacrificing the older friends, and possibly in time to come England may be enabled to reconcile these ancient enemies and so assist in bringing peace and order to a distracted area.

17955/33 [No. 27].

No. 100.

THE GOVERNMENT OF INDIA (FOREIGN AND POLITICAL DEPARTMENT)

to

THE RESIDENT.

(Copy received in Colonial Office 16th August, 1933.)

(Confidential.)

Simla, 24th July, 1933.

SIR,

Limits of the Jurisdictions of the Persian Gulf and Aden Residencies.

IN supersession of the ruling contained in the letter from the Government of India in the Foreign Department to the Government of Bombay, No. 650 E.P., dated the 18th February, 1880, I am directed to say that with the approval of His Majesty's Government the Government of India have decided that the jurisdiction of the Aden Residency shall not extend beyond Ras Darbat Ali and that the coast north of that point shall be included within the jurisdiction of the Persian Gulf Residency.

I have, &c.,
W. K. FRASER-TYTLER.
Foreign Secretary to the Government of India.

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3. PROPOSED EXTENSION OF THE LIMIT OF THE RED SEA PATROL.

17903/33 [No. 9].

No. 101.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 18th April, 1933.)

[*Answered by No.* 106.]

(Confidential.)
(No. 67.)

The Residency, Aden, 27th March, 1933.

SIR,

I HAVE the honour to refer to my despatch No. 66 dated 27th March, 1933,* dealing with my recent journey to Socotra and other outlying parts of the Aden Protectorate.

2. This tour has strengthened the opinion that I have long held that there ought to be more direct contact with the outlying parts of the Protectorate which are now seen only at infrequent intervals. I was told at both Abd-el-Kuri and Socotra that these islands were visited two or three years ago by an Italian vessel which laid down marks, took soundings and made surveys. The Aden Residency had no knowledge of these proceedings. Foreign ships would be less likely to venture on irregularities of this kind in an area which forms part of a British Protectorate if the appearance of British vessels in these waters were not such a rare occurence. The disinclination of the people of Qishn to allow facilities in their country for the Royal Air Force was mainly due to the Arabs' natural mistrust of strangers, and was in marked contrast with the attitude of the tribes in the vicinity of Aden, who are familiar with the visits of British officers and are no longer suspicious of their intentions. The construction of landing grounds by the Royal Air Force has brought several of the remoter districts of the Protectorate within easy reach; but Socotra, which is 500 miles distant from Aden is accessible only by sea, and many of the towns and villages along the 600 miles of Protectorate coast on the mainland are still without facilities for aircraft.

3. The remedy that commends itself to me is an extension of the Red Sea Patrol The Gulf of Aden forms part of the East Indies Naval Station, but His Majesty's ships in this Command are seldom seen at Aden except in transit to and from England, and they are not normally available for cruises in the Gulf. On the other hand the Red Sea Sloops (which belong to the Mediterranean Command) are often at Aden, which they are permitted to use as a base although it is outside the limits of the Red Sea Patrol. They are also allowed to visit Mukalla and Bir 'Ali. It would, in my opinion, be of great political advantage if the existing overlap of the Red Sea Patrol to Aden, Mukalla and Bir 'Ali could be extended to include the whole of the Gulf up to the eastern boundary of the Aden Protectorate at Ras Darbat Ali and including Socotra. I am not directly concerned with the African side of the Gulf of Aden, but I think it probable that its inclusion in this arrangement would be welcomed by the authorities in British Somaliland. I have discussed this proposal with Captain C. S. Sandford, O.B.E., R.N., Senior Officer, Red Sea Sloops, and Commander A. R. Farquhar, D.S.C., R.N., and I understand that it is unlikely to involve any additional expense. I therefore recommend it for your consideration; and I suggest that, subject to your approval, the Admiralty be asked whether it can be arranged.

I have, &c.,
B. R. REILLY,
Resident, &c.

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* No. 93.

17903/33 [No. 14].

No. 102.

THE COMMISSIONER, SOMALILAND, to THE SECRETARY OF STATE.

(Received 24th April, 1933.)

(No. 75.)

SIR, Commissioner's Office, Sheikh, 6th April, 1933.

I HAVE the honour to inform you that the Resident, Aden, has been kind enough to send me an extract (paragraph 3) of his despatch No. 67 of the 27th March, 1933,* addressed to you on the subject of an extension of the Red Sea Patrol.

2. For many years I have regretted that this Protectorate is but rarely visited by His Majesty's ships, and I very readily welcome, therefore, the Resident's proposal that the existing overlap of the East Indies Station (4th Cruiser Squadron) and Red Sea Patrol should be extended to include the whole of the Gulf of Aden. This extension would be of real benefit to the Protectorate if it would result, and I presume it would, in more frequent visits of His Majesty's ships.

3. We have nearly 500 miles of coast and it is most desirable in my opinion that our coastal ports and the Protectorate waters should be visited once or twice a year by His Majesty's ships. I hope, therefore, you will strongly support the Resident's proposal.

4. I have addressed a copy of this despatch to Aden.

I have, &c.,
A. S. LAWRANCE.

17903/33 [No. 10].

No. 103.

COLONIAL OFFICE to ADMIRALTY.

[*Answered by No.* 105.]

SIR, Downing Street, 29th April, 1933.

I AM directed to transmit to you, to be laid before the Lords Commissioners of the Admiralty, a copy of a despatch* from the Resident at Aden regarding his recent visit to Socotra and certain outlying parts of the Aden Protectorate. A copy of the despatch of the 27th of March,† referred to in paragraph 1 of this despatch is being sent to the Admiralty under cover of Colonial Office letter of the 29th April.‡

It will be observed from paragraph 3 of the accompanying despatch that the Resident recommends that the limit of the Red Sea Patrol should be extended to include the whole of the Gulf of Aden up to the eastern boundary of the Aden Protectorate at Ras Darbat Ali, and the Island of Socotra. This Department wishes to support the recommendation made by the Resident, and would be glad to be informed whether it would be possible for arrangements to be made accordingly.

3. Copies of this letter, with the enclosure thereto, are being sent to the India Office, Air Ministry and Foreign Office.

I am, &c.,
G. F. SEEL.

17903/33 [No. 20].

No. 104.

AIR MINISTRY to COLONIAL OFFICE.

SIR, Air Ministry, W.C.2, 17th May, 1933.

I AM commanded by the Air Council to refer to Colonial Office letter dated the 4th May,§ transmitting a copy of a letter to the Admiralty,‖ together with a copy of a despatch* from the Resident at Aden regarding his recent visit to Socotra and

* No. 101. † No. 93. ‡ No. 17955/33 [No. 15] : not printed.
§ 17903/33 [No. 11] : not printed. ‖ No. 103.

certain outlying parts of the Aden Protectorate and to acquaint you, for the information of the Secretary of State for the Colonies, that they desire to be associated with the views expressed by your Department.

Copies of this letter are being sent to the Foreign Office and India Office.

I am, &c.,
J. S. ROSS.

17903/33 [No. 29].

No. 105.

ADMIRALTY to COLONIAL OFFICE.

SIR, Admiralty, S.W.1, 30th June, 1933.

WITH reference to your letter of the 29th April* last and subsequent correspondence, concerning the possibility of extending the limit of the Red Sea Patrol to include the whole of the Gulf of Aden, Socotra and British Somaliland, I am commanded by My Lords Commissioners of the Admiralty to acquaint you for the information of the Secretary of State for the Colonies that they have approved the proposal that the Red Sea Sloops should be permitted to patrol in the Gulf of Aden, including Socotra and British Somaliland as opportunity offers.

My Lords are unable to provide an additional sloop for the purpose, and the extended patrols will necessarily be limited

The possibility, however, exists of meeting the wishes of the Resident at Aden, on occasions, by the use of His Majesty's Ships under the command of the Commander-in-Chief, East Indies, and arrangements have already been made whereby the Resident will communicate his requirements to the Commander-in-Chief, East Indies from time to time so that they may be met if a ship is available and other requirements allow. Similarly, the Commander-in-Chief, East Indies, will communicate to the Resident any programme of His Majesty's Ships of the East Indies Squadron which may provide an opportunity to visit outlying parts of the Aden Protectorate.

A copy of this letter has been sent to Foreign Office, India Office, and Air Ministry.

I am, &c.,
J. S. BARNES.

17903/33 [No. 32].

No. 106.

THE SECRETARY OF STATE to THE ACTING RESIDENT.

(No. 94.)

SIR, Downing Street, 19th July, 1933.

I HAVE the honour to refer to Colonel Reilly's despatch No. 67 of the 27th of March,† reporting on his recent journey to Socotra and other outlying parts of the Aden Protectorate, and to enclose for your information, copies of correspondence‡ with the Admiralty regarding the proposed expansion of the limit of the Red Sea Patrol to include the whole of the Gulf of Aden, Socotra, and British Somaliland.

I have, &c.,
P. CUNLIFFE-LISTER.

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* No. 103. † No. 101. ‡ Nos. 103 and 105.

4. SUCCESSION TO THE SULTANATE OF LAHEJ.

17963/33 [No. 1].

No. 107.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 3rd April, 1933.)

[*Answered by No.* 108.]

(Confidential.)
(No. 65.)

SIR, The Residency, Aden, 22nd March, 1933

I HAVE the honour to refer to the recent political events in Lahej in connexion with the succession to the Sultanate, that have been reported briefly in Political Intelligence Summary,* paragraphs 2260, *et seq*.

2. For very many years the custom in regard to the succession to the Sultanate of Lahej has been that after the death of the reigning Sultan his successor is elected by certain tribal Aqils and Qadhis, who are entitled to do so. The election is then reported to the Resident, and the new Sultan is accorded official recognition unless there are very cogent reasons to withhold it. The customary procedure thus briefly outlined is common to the whole Protectorate.

3. There are five branches of the family of the Sultan of Lahej, in two of which (the Ali Muhsin and the Fadhl Muhsin) the succession has been confined, with fairly regular alternation, since the death of the common ancestor, Sultan Muhsin Fadhl, in 1847.

4. On the accession of the present Sultan, His Highness Sir Abdul Karim bin Fadhl Ali Muhsin, in 1915, the heads of the Fadhl Muhsin branch refused to recognize him. In 1919 a *rapprochement* was brought about between this dissident element and His Highness, but the animosity still smouldered, and in 1930 it broke out in the form of a conspiracy, instigated by these persons during the absence of His Highness in India, to remove him and to arrange the succession of a member of the Fadhl Muhsin branch The conspiracy was discovered; and, on his return from India, the Sultan took such action against the ringleaders as he hoped would put an end to overt opposition to his authority.

5. In consequence of this incident His Highness made tentative proposals to the Residency that he should ensure continuity in the succession by proclaiming his eldest son, Sultan Fadhl bin Abdul Karim as heir apparent. My predecessor advised him not to do so and the matter appeared to have dropped.

6. On 12th February of this year, however, His Highness informed me that at the instance of the electors, and with his permission, an election had been held, that his eldest son, Sultan Fadhl bin Abdul Karim, had been unanimously elected as his successor, and that he had accordingly nominated him as such.

7. His Highness had caused or allowed these steps to be taken without prior reference to the Residency, and I was about to express my objections to this procedure when the report was received of the attempted assassination of Sultan Fadhl at the hands or at the instigation of the leaders of the Fadhl Muhsin branch (*vide* Political Intelligence Summary, paragraphs 2260, *et seq*). This new circumstance made it impolitic for me to advise His Highness to retract his recognition of Sultan Fadhl as his successor, for the reason that His Highness's acquiescence in my request might seem to be a concession to violence; and I therefore considered it advisable to confine myself at the moment to asking His Highness for an explanation of the reasons that had prompted him in departing from the customary practice in regard to the succession.

8. In reply His Highness explained that his action was designed to guard against the strife and dissension that are the usual consequences of disputes regarding the succession on the death of a tribal Chief. He argued that the Sultanate of Lahej has come to be recognized as the centre of arbitration between tribal Chiefs over a wide area, and that it is therefore particularly necessary that continuous security and order should be ensured in it; and he pointed out that continuance of the custom hitherto existing in regard to the succession tended towards multiplicity of claimants and complexity of issue. He further contended that the electors, who are the custodians of custom, had themselves initiated the proposal of an election during his lifetime, and that he had acceded to their wishes in the best interests of his State.

* Enclosure in 17902/33 [No. 58] : not printed.

9. I have told His Highness that I am reporting what has occurred and the explanation that he has given me to His Majesty's Government.

10. A settlement of the succession during the lifetime of the present Sultan will have considerable advantages if it is loyally observed when his death occurs. Since 1918 and especially during the past five years, the Sultanate of Lahej has assumed an importance unknown before the Great War, principally due to the personality of the present Sultan and to his advisers and assistants from his own branch of the family. And the very close contact that has been established between His Highness and the Residency in the consideration of all major matters of general importance in the Protectorate render continuity of succession (and consequently of policy), at Lahej, very desirable.

11. In view, however, of the uncertainty that must, in the nature of Arab tribal polity, still exist as to the actual accession of an heir-apparent on the death of a ruling Chief, I consider that official recognition of a pre-elected successor would seldom be effective, and ought not to be accorded.

12. While, therefore, I am sympathetic towards the efforts of the Sultan of Lahej to protect the admirable results of his organization and industry in Lahej from disintegration at the hands of a less able, and possibly hostile, successor who might be elected from another branch of the family, after his death, I do not recommend any departure, on our part, from the existing procedure in regard to succession.

13. I propose therefore, subject to your approval, to limit myself to informing His Highness that the election has been noted, but that formal recognition of his successor must be deferred until the latter's actual accession to the Sultanate; and I intend to avoid the use of any expression that would imply a guarantee by His Majesty's Government of the arrangement that has been made.

I have, &c.,
B. R. REILLY,
Resident, &c.

17963/33 [No. 12].

No. 108.

THE SECRETARY OF STATE to THE ACTING RESIDENT.

(Confidential.)

SIR, Downing Street, 15th July, 1933.

I HAVE the honour to refer to the Resident's Confidential despatch No. 65 of the 22nd of March* regarding the succession to the Sultanate of Lahej, and to inform you that I agree generally with the views expressed therein and the course of action proposed in paragraph 13.

2. The proposed reply to the Sultan of Lahej should, however, be modified in the following manner :—

(*a*) He should be informed that " the contents of his letter are noted," instead of that " the election has been noted," and

(*b*) the word " formal " should be omitted before " recognition " in informing him that the recognition of his successor must be deferred until the latter's actual succession to the Sultanate.

Colonel Reilly, who has been consulted, agrees with these modifications.

I have, &c.,
P. CUNLIFFE-LISTER.

* No. 107.

5. STIPEND OF THE SULTAN SHIHR AND MUKALLA.

17953/33 [No. 7].

No. 109.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 10th July, 1933.)

(No. 150.)

The Residency, Aden, 28th June, 1933.

SIR,

I HAVE the honour to refer to your despatch No. 1 dated the 4th January, 1933,* regarding the payment of arrears of stipend to His Highness Sultan 'Omar bin 'Awadh of Shihr and Mukalla, and to enclose for your information copies of correspondence which has passed between this Residency and His Highness on the subject.

I have, &c.,
R. S. CHAMPION,
Acting Resident, &c.

Enclosure 1 in No. 109.

The POLITICAL SECRETARY to the SULTAN OF SHIHR AND MUKALLA.

(Translation.)
(No. 527.)

The Residency, Aden, 28th March, 1933.

WITH reference to Your Highness's discussion with Colonel Lake on 4th October, 1932, regarding the arrears of the stipend due to you, we write to inform Your Highness, Oh Friend, that we have addressed His Majesty's Government on the subject of the arrears of the stipend claimed by you from October, 1918. We are instructed to inform Your Highness that it is not now possible to pay the full arrears of Your Highness's stipend owing to the long lapse of time during which Your Highness has not claimed it.

His Majesty's Government have, however, now sanctioned the payment of three years' stipend to Your Highness commencing from 1st April, 1930, and ending with 31st March, 1933. Owing to the closing of the current financial year in March, we have drawn the amount due from 1st April, 1930, to 28th February, 1933 (2 years and 11 months), *i.e* , Rs. 2,100/- minus Rs. 7-14-0 on account of bank commission which we remit to you by draft No. 71/104 dated 25th March, 1933.

We shall be obliged if Your Highness will kindly acknowledge receipt.

Greetings.

R. S. CHAMPION,
Political Secretary, Aden.

His Highness the Qu'aiti Sultan.

Enclosure 2 in No. 109.

The SULTAN OF SHIHR AND MUKALLA to the POLITICAL SECRETARY.

Shamsheer Bag, Nampaly,
Hyderbad, Deccan, 25th May, 1933.

DEAR FRIEND,

WITH reference to Your Honour's letter dated 28th March, 1933, I have the honour to state, Oh Friend, that I regret very much for the decision of His Majesty's Government regarding the arrears of my stipend claims.

I had discussions at first with General Scott and General Steward that it is below my position to receive sixty dollars monthly as a stipend amount, and according to my request to increase the same at least up to rupees one thousand monthly I was assured that they will try their best to increase the amount.

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* C. 97903/32 [No. 7] : not printed.

The matter was referred to His Majesty's Government and I was keenly waiting for the favourable decision of the same and hence I did not claim the arrears of stipend of the usual amount of all these years. Then finally I had discussions with Colonel Lake for the arrears.

Under the above circumstances I request Your Honour to refer the above matter again to His Majesty's Government that the amount of the stipend should be increased to rupees one thousand monthly, and if the above request is not granted my stipend arrears from October, 1918, up to October, 1933, should be granted because I did not claim the arrears only thinking that the matter was under discussion and so my claim for the amount of the arrears of all these years should not be debarred at all.

I herewith return the draft No. 71/104 dated 25th March, 1933, for the amount of Rs. 2,100 with a request to send me the draft of the full amount of all these years as mentioned above. I will keep up the terms of the treaty and the same friendly relations and co-operation with the Government if at all I am not paid

Thanking you for the trouble,

Yours, &c.,
OMER BIN AWAD.

The Political Secretary,
Aden.

Enclosure 3 in No. 109.

The ACTING RESIDENT to the SULTAN OF SHIHR AND MUKALLA.

(No. 4108.)

The Residency, Aden, 28th June, 1933.

YOUR HIGHNESS,

I HAVE the honour to refer to Your Highness's letter of the 25th May, 1933, on the subject of your stipend and to acknowledge receipt of draft No. 71/104 of the 25th March, 1933, for Rs. 2,100/-, which you have returned, and which I am retaining pending Your Highness's further consideration whether to accept it or not. In the latter case the sum will be refunded to the Treasury; and for technical reasons it is unlikely that it could be subsequently recovered for Your Highness's benefit.

2. I note Your Highness's explanation that you have not in the past claimed the stipend to which you became entitled on your accession in 1922 for the reason that you were awaiting the decision of Government with regard to your request for an increase in the amount of your stipend.

3. I would, however, observe that the decision of Government in this matter was conveyed to Your Highness by the then Resident in his letter No. C/77 of the 30th January, 1925, and since that time Your Highness has been given no assurance or other indication that could in any way lead you to hope that the decision was likely to be reversed, or was indeed even under discussion.

4. There is now in any case no question of Your Highness's recovering from His Majesty's Government the arrears of stipend accrued up to the 1st April, 1927, the date on which His Majesty's Government assumed responsibility for the Aden Protectorate from the Government of India.

5. Furthermore, on your first visit to Aden after that date, in October, 1928, the then Resident made it sufficiently clear to Your Highness that he was not prepared to recommend to His Majesty's Government your request for financial assistance; and Your Highness's subsequent representation to the Resident in October, 1932, was not more favourably received.

6. In these circumstances I regret that I am unable to recommend to His Majesty's Government your Highness's explanation of the reason for the accumulation of the arrears of stipend, nor to move them to reconsider their decision to pay those arrears in respect only of the period from 1st April, 1930.

7. In regard to Your Highness's wish for an increase in stipend, I regret that I cannot see my way to making any recommendation to His Majesty's Government at the present time; for whatever may be the opinion of this Residency as to the adequacy or otherwise of the stipend at present appertaining to the Sultanate of Shihr and Mukalla, the fact that Your Highness, during the eleven years since your accession, has spent altogether less than three years in your territories must mitigate against a favourable consideration of Your Highness's requests. In this connexion I would again commend to Your Highness's most earnest attention the Resident's advice contained in his letter No. 2497 of the 19th April, 1933.

R. S. CHAMPION,
Acting Resident, &c.

His Highness the Qu'aiti Sultan.

6. HOSTEL FOR THE SONS OF PROTECTORATE CHIEFS.

17970/33 [No. 1].

No. 110.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 22nd May, 1933.)

[*Answered by No.* 118.]

(No. 104.)

SIR, The Residency, Aden, 10th May, 1933.

FOR many years this Residency has recognized the necessity for providing education for the sons of Protectorate Chiefs and of their near relations; and as long ago as 1903 invesigations were made into the possibility of establishing a college or hostel in the Aden Settlement for this purpose

2. For reasons of which I am unaware, the matter was not proceeded with at that time, and it lay dormant until 1919, when General Stewart, with the advice of Colonel Jacob, submitted proposals to the High Commissioner for Egypt, which were, however, shelved in circumstances no less obscure.

3. In 1930 Sir Stewart Symes again revived the subject, and caused it to be discussed with the Protectorate Chiefs who assembled at the Lahej Conference in December, 1930. The Chiefs received the suggestions very favourably, and investigations were accordingly made and tentative estimates prepared during the course of the following year; but in view of the financial stringency that then existed it was not considered desirable to put forward a scheme for the consideration of the Secretary of State that entailed further financial commitments in respect of the Protectorate

4. Up to the present time one of the main difficulties that has been brought to light has been that of providing adequate and efficient supervision of the boarding side of the proposed establishment, for it was clear from the outset that unless the hostel were to be morally above suspicion the Chiefs would not make use of it. Colonel Reilly has, however, lately obtained the approval of the Government of India to the appointment to Aden of a British Education Officer, who is expected to be selected shortly, and whose close personal supervision of such a hostel will be the best assurance of its proper conduct.

5. With this in view, Colonel Reilly, before his departure on leave to the United Kingdom, requested me to submit formal proposals for the establishment of a hostel for the accommodation and instruction of Chief's sons, and this now I have the honour to do.

6. The necessity for such an institution arises in the consideration that by virtue of our political relations with the Protectorate Chiefs it is desirable that something should be done to improve their education which, in the present generation, is lamentably bad.

7. In effect, during the past four or five years a maximum of 36 boys, the sons of Treaty Chiefs or of their near relations or Wazirs, have been attending the Government Primary and Secondary Schools in Aden, as "Political Pupils," their school fees, charges for books and stationery, and their maintenance allowances being met from the "Entertainment Vote" (Sub-head I—Aden II (*c*) of the Estimates) at the disposal of the Resident. The disadvantages of this system are that—

(i) the curriculum in the Government Schools which is designed to meet commercial, clerical, and similar needs of an urban community, is in the main unsuitable for the Political Pupils, who must of necessity follow it, and who do not therefore receive that special training in character and the art of government that their status and future careers require;

(ii) the Political Pupils (receiving maintenance allowance from the Residency Office) lodge in various houses in the bazaars, and being under little or no control outside school hours, frequently mix with undesirable persons in the town. It has lately been found necessary to dismiss two pupils (aged 8 and 14 respectively) who had contracted venereal disease. And apart from the evil influences that these boys are subject to out of school, it is unsuitable that they should have contact with the very mixed elements that are found in the schools themselves;

(iii) probably for the reasons stated above, it has been found that the boys who come forward are not those whom it is most desirable to attract, viz., sons of Chiefs, or boys who are likely eventually to be Chiefs. Of the 36 Political Pupils now enrolled, 6 are of these categories, and the

remainder are children of Wazirs or comparatively unimportant tribal 'Aqils.

8. It is therefore proposed to establish a hostel where Political Pupils will be accommodated on boarding school lines, and taught by a selected staff of resident masters in accordance with a curriculum especially designed for their peculiar needs. A suitable building, situated at a convenient distance from the bazaars, has been provisionally selected and could without difficulty be made available. An administrative and teaching staff of Arab masters can be found locally; and it is proposed that the new Education Officer, whose selection is being arranged in the United Kingdom, and whose appointment may reasonably be expected next autumn, will exercise a close personal control and supervision of the establishment.

9. The emoluments of this officer are being borne by the Government of India in consideration of his charge of local education in Aden. It is, however, of great importance for the success of the proposed hostel for Political Pupils that he should be intimately associated with its organization and administration; and for this reason I recommend that in return for his services in this respect (that are the special concern of His Majesty's Government), the provision of a house for him in Aden should be a charge on the allocation for Protectorate Services.

10. I attach hereto an estimate of recurrent and non-recurrent expenditure in respect of the proposed hostel, and a statement, for comparison, of the actual expenditure that was incurred in the financial year 1932-33 in respect of Political Pupils, and charged against the vote for "Entertainment" in the estimates.

11. If the proposed hostel receives the support from the Chiefs that they have led me to believe they will give; and if it proves the success that I anticipate and that careful organization will ensure, I am convinced that the extra expenditure that it will involve will be amply justified. I therefore have the honour to recommend the scheme for its establishment for your favourable consideration.

Colonel Reilly is acquainted with the outline of the proposals and with the approximate financial commitments that would be involved.

I have, &c.,
R. S. CHAMPION,
Acting Resident, &c.

Enclosure in No. 110.

ESTABLISHMENT OF A HOSTEL FOR 36 POLITICAL PUPILS.

Summary of estimate of non-recurring and monthly recurring expenditure.

	Item.	*Non-recurring.* Rs.	*Recurring.* Rs.	*Remarks.*
1.	Furniture and equipment	1,378	20	
2.	Light, water and conservancy	100	75	
3.	Establishment	—	453 (*a*)	(*a*) Superintendent Rs. 200 2 Teachers at 80 160 Menials ... 93 453
4.	Food	—	700	By contract.
5.	Books and stationery ...	—	50	
6.	School buildings... ...	13,449 (*b*)	167 (*c*)	(*b*) Reconditioning. (*c*) Maintenance.
7.	Accommodation of Education Officer	—	50	House rent.
8.	Contingencies (rounding)	73	85	
	TOTAL ...	Rs. 15,000	Rs. 1,600	

Annual Rs. 19,200

Actual expenditure on Political Pupils during 1932-33.

Maintenance allowances, school fees, books and stationery.	Rs. 11,368	Average number 36 a month.

17970/33 [No. 4].

No. 111.

THE GOVERNMENT OF INDIA (Department of Education, Health and Lands)

to

THE SECRETARY OF STATE FOR INDIA.

(Copy received in Colonial Office, 24th August, 1933.)

Telegram.

23rd August. F.26/3/32E. Reference correspondence ending with this Department's telegram dated 29th June, No. F.26-3/32E. As Education Officer, Aden, will also inspect and control hostel for pupils from Aden Protectorate, Reilly proposes that the Colonial Office may be asked to bear the cost of provision of free quarters to him or of allowances in lieu thereof. He has informally discussed the question with the Colonial Office who, it is understood, awaits definite proposal from India Office on the subject. Government of India agree with Reilly, and request that the Colonial Office be approached for the provision of free quarters to Education Officer or allowance in lieu thereof, amount of which may be fixed by them in consultation with Reilly. Decision of the Colonial Office may be communicated urgently by cable and the High Commissioner informed.

17970/33 [No. 6].

No. 112.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 113.]

Sir, Downing Street, 26th August, 1933.

I am directed by Secretary Sir Philip Cunliffe-Lister to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch* from the Acting Resident at Aden submitting proposals for the establishment of a college or hostel in the Aden Settlement for the sons of Protectorate Chiefs and of their near relations.

2. Opportunity has been taken of the presence in this country of Colonel Reilly, the Resident at Aden, to discuss these proposals, which have the general concurrence of the Secretary of State, and it is proposed in due course to submit to their Lordships proposals for the expenditure necessary for the establishment of a hostel on the general lines shown in the despatch from the Acting Resident. It is, however, of urgent importance to obtain a decision on the proposal that provision should be made (as a charge on the allocation for Protectorate Services) for free quarters or an allowance in lieu thereof for the Education Officer who will be in charge of local education in Aden, and whose emoluments will be borne by the Government of India. In this connexion I am to transmit to you a copy of a telegram† from the Government of India.

3. A Selection Committee is to meet on the 1st of September to interview prospective candidates for the post of Education Officer at Aden, and I am now to request that this Department may be informed as soon as possible whether their Lordships are prepared to approve of the necessary provision of free quarters or of an allowance in lieu thereof for this officer.

I am, &c.,
W. C. HANKINSON.

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* No. 110. † No. 111.

17970/33 [No. 8].

No. 113.

MR H. R. FOYLE (Treasury)

to

MR. K. W. BLAXTER (Colonial Office).

(S. 38358.)

Dear Blaxter, Treasury Chambers, S.W.1, 1st September, 1933.

With reference to your letter of the 26th ultimo* I should see no objection in the circumstances represented to the grant of free quarters, or an allowance in lieu thereof, if the scheme for the establishment of a hostel goes through.

The scheme which, as I understand the position, would involve considerable expenditure from Votes, has not however been submitted to the Treasury and we cannot be regarded as in any way committed to it.

All you can tell prospective candidates is that suggestions for the establishment of a hostel have been made and that, if they mature, certain services in connexion therewith will have to be performed in return for which free quarters, or an allowance in lieu, would be provided. You should not go further than that.

Perhaps you would kindly take the foregoing as a sufficient answer to your official letter.

Yours, &c.,
H. R FOYLE.

17970/33 [No. 9].

No. 114.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 115.]

Sir, Downing Street, 18th September, 1933.

I am directed by Secretary Sir Philip Cunliffe-Lister to refer to the letter from this Department of the 26th of August,* enclosing a copy of a despatch† from the Acting Resident at Aden in which proposals are made for the establishment of a college or hostel in the Aden Settlement for the sons of Protectorate Chiefs and of their near relatives.

2. The proposals submitted by the Acting Resident have been considered in consultation with Colonel Reilly, the Resident at Aden, who is at present on leave in this country. In the opinion of the Resident some scheme for improving the education of pupils from the Protectorate is long overdue and the appointment of a British Education Officer at Aden affords an excellent opportunity for initiating a scheme of this nature. It will be observed from Mr. Champion's despatch that certain expenditure in connexion with the education of political pupils is now met from the provision under Item II (*c*) Expenditure on Protectorate Chiefs—of the Aden Sub-head of the Colonial and Middle Eastern Services Vote and that the additional recurrent expenditure entailed by the proposed scheme would amount approximately to only £590 *per annum*.

3. In the circumstances, and in view of the considerations advanced in paragraphs 6 and 7 of Mr. Champion's despatch, Sir Philip Cunliffe-Lister supports the proposals submitted by the Acting Resident, and he requests that the Lords Commissioners of the Treasury may be moved to sanction the necessary provision in the Aden Estimates for 1934-1935.

4. In Colonial Office letter of the 26th of August, advance approval was requested for the provision of free quarters or an allowance in lieu thereof for the new British Education Officer at Aden who is to be appointed by the Government of India. In seeking this approval Sir Philip Cunliffe-Lister had in mind that, whether sanction for the scheme in its present form is accorded or not, it is desirable that the new Education Officer should devote at any rate a portion of his time to supervising the education of pupils from the Protectorate, on which certain expenditure is already being incurred, and that it was reasonable therefore that some contribution should be made

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* No. 112. † No. 110.

from Protectorate funds towards the Education Officer's emoluments. Sir Philip Cunliffe-Lister would therefore be glad if their Lordships would agree in any case to free quarters or an allowance in lieu, on the scale proposed in item 7 of the estimate of cost, being provided from Imperial Funds. This would enable the Resident to seek the advice and assistance of the Education Officer in the establishment of the hostel if the scheme in its present form is approved, or in the preparation of any alternative scheme for improving the education of the sons and relatives of Protectorate Chiefs.

I am, &c.,
H. R. COWELL.

17970/33 [No. 12].

No. 115.

MR. C. N. RYAN (TREASURY)

to

MR. H. R COWELL (COLONIAL OFFICE).

(S. 38358.)

DEAR COWELL, Treasury Chambers, S.W.1, 23rd October, 1933.

WILL you please refer to your official letter of the 18th September, 1933,* regarding the proposals for the establishment of a college or hostel in the Aden Settlement for the sons of Protectorate Chiefs and of their near relatives.

We appreciate the arguments put forward for improving the educational facilities for the sons of the Protectorate Chiefs and for taking steps to secure that they shall not live in undesirable surroundings while being educated at Aden. At the same time you will understand our reluctance to increase by a recurrent sum of £590 per annum the provision for expenditure on Protectorate Chiefs, which has stood at the figure of £11,680 for the last two or three years (this year's provision is, of course, abnormal, owing to the special item of £5,712 for Arms and Ammunition).

You may remember that about three years ago Sir Stewart Symes told us that he was gradually cutting down " present and entertainment " to the native Chiefs, but wished to use the money saved on medical and educational services (your letter of the 27th August, 1930,† to Trickett). We promised favourable consideration to proposals on these lines, and we should still be quite willing to agree to increased expenditure on educational services if such expenditure could be met from savings on bribes to Chiefs. Is the process of reducing expenditure on " presents and entertainments " still continuing, and can you give us some idea of the magnitude of the cuts in this direction and of the prospects of further reductions in future?

We are prepared to agree to free quarters or an allowance of £50 in lieu to the new Education Officer for supervising the education of pupils from the Protectorate. Might it not be well to get the views of this Officer as to the necessity for a hostel or the possibility of a cheaper alternative?

Yours, &c.,
C. N. RYAN.

17970/33 [No. 13].

No. 116.

MR. H. R. COWELL (COLONIAL OFFICE)

to

MR. C. N. RYAN (TREASURY).

DEAR RYAN, Downing Street, S.W.1, 6th November, 1933.

THANK you for your letter No. S.38358 of the 23rd October‡ about the proposed hostel in the Aden Settlement for the sons of Protectorate Chiefs and their near relatives. I am writing to Reilly semi-officially on the general lines of your letter.

* No. 114. † No. 150 in Middle East No. 34. ‡ No. 115.

Meantime we have assumed that the provision of quarters for the Education Officer or of an allowance of 50 rupees a month in lieu thereof (this being the rate proposed in Champion's despatch of the 10th May*) may be charged to Imperial Funds, and we have informed the Resident accordingly.

Yours, &.,
H. R. COWELL.

17970/33 [No. 14].

No. 117.

MR. H. R. COWELL (COLONIAL OFFICE)

to

LIEUTENANT-COLONEL B. R. REILLY (RESIDENT AT ADEN).

MY DEAR REILLY, Downing Street, S.W.1, 6th November, 1933.

WE are sending you by this mail a despatch† about the education of the sons of Protectorate Chiefs and their near relatives. You will see that approval has been obtained for the provision of quarters or an allowance in lieu at the rate of 50 rupees per month for the new Education Officer.

As we were led to expect, however, the Treasury are reluctant to approve the additional recurrent expenditure which would be incurred by the proposed scheme for a hostel unless this can be met by savings. They point out that about three years ago Symes said that he was gradually cutting down the expenditure on presents and entertainment for the native Chiefs but that he wished to use the money thus saved on medical and educational services. In this connexion please see the correspondence ending with Howard's letter to Symes of the 15th September, 1930,‡ and also the paragraph headed Item II (*c*) (i) and (ii) of the Resident's despatch No. 238 of the 19th November, 1930.§ We shall be glad if you will let us know what you think it will be possible to do in the direction of reducing expenditure on presents and entertaining in the future.

In any case we think that before going back to the Treasury on the subject of the proposed hostel it will be best to get the views of the new Education Officer in regard to the scheme and as to the possibility of some cheaper alternative method of improving the education of Protectorate pupils. From what you said when we talked the matter over I think you are in agreement as to this.

Yours, &.,
H. R. COWELL.

17970/33 [No. 15].

No. 118.

THE SECRETARY OF STATE to THE RESIDENT.

(No. 135.)

SIR, Downing Street, 6th November, 1933.

I HAVE the honour to refer to Mr. Champion's despatch No. 104 of the 10th of May, 1933,* submitting proposals for the establishment of a hostel in the Aden Settlement for the sons of Protectorate Chiefs and of their near relations.

2. This question was discussed with you while you were on leave in this country. It was then agreed that it would be very desirable to secure the advice and assistance of the new Education Officer, whom the Government of India are about to appoint, on education problems in the Protectorate and that in return for his services in this respect His Majesty's Government might reasonably be expected to make some contribution to the costs arising from this appointment. After consultation with the Lords Commissioners of the Treasury I now approve the provision of quarters or alternatively the grant of an allowance in lieu at the rate of 50 rupees a month to the officer.

* No. 110. † No. 118. ‡ No. 152 in Middle East No. 34. § No. 217 in Middle East No. 38.

3. I suggest that before further consideration is given to the proposal for the establishment of a hostel it might be advisable to obtain the views of the new Education Officer on the general problem of the education of Protectorate pupils, and in particular, on the scheme proposed in Mr. Champion's despatch under reference.

I have, &c.,
P. CUNLIFFE-LISTER.

17970/33 [No. 17].

No. 119.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 3.7 p.m., 7th November, 1933.)

TELEGRAM.

[*Answered by No.* 120.]

7TH NOVEMBER. No. 264. I shall be grateful if recommendation made in paragraph 9 of Acting Resident's despatch No. 104, 10th May,* and appendix thereto that provision of 50 rupees *per mensem* for rent of a house for Education Officer be a charge on Aden Protectorate Fund can be approved at once in anticipation of decision with regard to hostel scheme as a whole I am endeavouring to secure suitable house which is difficult to obtain and assurance of rent payable by the Government will help me considerably I am pressing the Government of India for early appointment of this officer whose advice will be valuable in further consideration of hostel proposal.

17970/33 [No. 18].

No. 120.

THE SECRETARY OF STATE to THE RESIDENT.

(Sent 7 p.m., 9th November, 1933.)

TELEGRAM.

No. 58. YOUR telegram No. 264.† House rent for Education Officer. Expenditure approved.

C. THE YEMEN.

1. TREATY NEGOTIATIONS WITH THE IMAM: SUPPLY OF ARMS AND AMMUNITION FOR THE IMAM AND SUPPRESSION OF SLAVE TRADE.

C. 97857/32 [No. 255].

No. 121.

(Secret.)
(M.E. (O) 85.)

COMMITTEE OF IMPERIAL DEFENCE.

STANDING OFFICIAL SUB-COMMITTEE FOR QUESTIONS CONCERNING THE MIDDLE EAST.

THE CLAIM OF THE IMAM OF THE YEMEN TO CERTAIN ISLANDS IN THE RED SEA

Memorandum prepared in the Colonial Office.

THIS question appears to have first come into prominence during the negotiations for the conclusion of a treaty between His Majesty's Government and the Yemen, which were revived in 1931 with an attempt on the part of the Imam to include in

* No. 110. † No. 119.

Article III of the draft Treaty a reference to "the settlement of the two questions of the southern frontier of the Yemen and the Islands of the Yemen." The Imam did not name the islands, but in reporting the matter, the Resident at Aden said that the phrase was probably intended to cover Kamaran, Perim, the Hanish and Jebel Zukur Group, and possibly the Farsan Islands At the same time the Resident pointed out that the sovereignty of Kamaran and the Hanish and Jebel Zukur Islands was undecided and expressed the view that there might be no harm in letting the Imam reserve a hypothetical claim to them to be decided at a later date.

2. All the islands in question, except the Farsan Islands (which were at one time part of the territories of the Idrisi and are now tacitly recognized as being under Ibn Saud's sovereignty), were formerly Turkish (with the exception of Perim) and fall to be dealt with under Article 16 of the Treaty of Lausanne, which reads as follows:—

> "Turkey hereby renounces all rights and title whatsoever over or respecting the territories situated outside the frontiers laid down in the present Treaty and the islands other than those over which her sovereignty is recognized by the said Treaty, the future of these territories and islands being settled or to be settled by the parties concerned."

3. The Imam's proposal to include a reference to these islands in the draft Treaty was discussed with other cognate matters at a meeting of the Standing Official Sub-Committee on Middle East Affairs on the 11th of December, 1931,* at which the following views were expressed by the representatives of the various Departments.

4. ADMIRALTY.—Any reference to the islands should be omitted. There could be no question of the sovereignty of Perim and several claimants were already in existence to the other islands. It was obviously undesirable to imply that an additional claim on the part of the Imam should be added thereto.

5. FOREIGN OFFICE.—In view of the provisions of Article 16 of the Treaty of Lausanne, His Majesty's Government are not free to enter into any bilateral engagement with the Imam in relation to these islands. It would be preferable from every point of view to omit any reference to the islands from the draft Treaty.

6. COLONIAL OFFICE.—Agreed that any reference to the islands should be omitted.

7. The views of the AIR STAFF were circulated previously to members of the Sub-Committee and were to the effect that the Imam should be required to omit his reference in Article III to the "Islands of the Yemen." The sovereignty of Perim, which had been occupied continuously since 1857, could not be called in question; even a hypothetical claim on the part of the Imam to the islands should not be allowed, in view of their strategic value.

8. *The meeting agreed* that it would be desirable to omit a reference to the Islands of the Yemen in the Treaty

9. A counter-draft of the proposed Treaty was sent out to Aden with Article III amended as agreed at the meeting, and the position was at the same time explained to the Resident, who in turn informed the Imam that His Majesty's Government were not free to enter into any bilateral engagements in regard to the islands.

10. The Imam, however, was not ready to abandon his wording of Article III, and in reporting this attitude, the Resident expressed the opinion that he should be informed that His Majesty's Government had in their desire to meet his wishes with regard to Article III gone as far as they could. The question was again considered at a meeting of the Sub-Committee on the 4th of July, 1932,† at which the following views were expressed.

11. ADMIRALTY.—Re-affirmed the position already taken up, but thought that if the Imam merely wished to claim some of the islets and reefs in the immediate vicinity of his coast, it is unlikely that there would be any objection. It was thought better that the Imam should not at present be asked to state to what islands he laid claim, as it might be awkward to have to break off negotiations as a result of such a definition.

* No. 8 in Middle East No. 34. † No. 10 in Middle East No. 34.

12. India Office.—Considered that for the moment we should stand firm on our previous communication to the Imam and see what he had to say. If it turned out at a later stage that he was merely concerned with the ownership of islets and reefs near the coast of no importance, no difficulty need arise in meeting him over this, but past discussions went to show that this was not the meaning normally attached by the Imam to the word " islands " in this connexion. The simplest course would appear to be to reply in the sense recommended by the Resident.

13. Foreign Office.—Agreed with the views previously expressed, but considered that the wording contained in His Majesty's Government's draft of Article III that " nothing contained in this Article, or in other Articles of the present Treaty, is to be taken as meaning that either of the High Contracting Parties renounces the rights claimed by him in those regions " should be retained.

14. Colonial Office.—Agreed with the views previously expressed.

15. Air Ministry.—Considered it would be undesirable and premature to make any variation in the wording of Article III.

16. *The meeting agreed* that the Resident should be informed that His Majesty's Government have gone as far as they can to meet the Imam's wishes with regard to Article III. The Resident was informed accordingly and in turn notified the Imam.

17. No further official communication has been received from the Imam, but in October last a certain Mr. Bailey reported to the Resident a conversation which he had had with the Imam on the subject of the islands during a recent visit to the latter in connexion with the salt concession at Salif. According to this information the Imam is particularly concerned at the refusal of His Majesty's Government to agree to consider his claim to the islands. In reply to the Imam, Mr. Bailey, while disclaiming any knowledge of political questions, said that he felt certain that the British Government would not admit any claim to Perim, and pointed out that, as far as he knew, the remaining islands were international and in any case were barren and worthless. The Imam replied that nevertheless they were part of the Yemen.

18. In response to these unofficial overtures, the Resident addressed a letter to the Imam on the 22nd of October, 1932.* re-affirming his willingness to go to Sana'a on the fulfilment of the preliminary conditions imposed by His Majesty's Government (namely, the acceptance by the Imam of the present wording of Article III and the raising of the overland trade embargo). He made no reference in this letter to his conversation with Mr. Bailey, nor did he specifically mention the islands.

19. In reporting the matter the Resident made the following suggestions, which he thought might facilitate the Imam's acceptance of Article III as at present drafted :—

> " 6. With regard to the question of the islands other than Perim, it occurs to me that a recognition of the Imam's nominal sovereignty over them—with adequate safeguards against their use as military or naval bases, and for the preservation of the lighthouses and of our special position in Kamaran—is a solution which might find acceptance by the interested Powers. I realize that no undertaking about these islands can be given to the Imam in the Treaty; but if you consider that the question might be broached with the other Powers concerned during the period of the Treaty, I suggest that I may be authorized (if I go to Sana'a) to agree to hear and to represent the Imam's views on this subject after the signature of the Treaty. If so, I should be careful not to give the Imam any promise, explicit or implied that His Majesty's Government would accept or support his claims. I should simply consent to report his wishes for His Majesty's Government's consideration and for possible reference to the other signatories of the Treaty of Lausanne."

20. The views of the various Departments concerned regarding this suggestion are as follows :—

21. Colonial Office.—Would not be disposed to agree to any discussion of the Imam's claim to the islands as a condition precedent to the opening of negotiations with the Imam, but have no strong view either way as to the suggestion that the Resident should be authorized, if he goes to Sana'a, to agree to hear and to represent to His Majesty's Government the views of the Imam on the subject *after* the signature of the Treaty.

22. War Office and Treasury.—Have no observations.

23. Air Ministry.—Feel very great doubt as to the advisability of adopting the Resident's suggestion that he should agree to represent the Imam's views after a treaty has been signed. They consider that the concession of even a nominal

* Enclosure in No. 290 in Middle East No. 34.

sovereignty of the Imam over any of the Red Sea Islands (from which Perim, at least, would presumably be wholly excluded) would increase the likelihood of intrigue by interested Powers for their actual occupation, which His Majesty's Government would then be powerless to counter. They point out that there has been recent and definite evidence of interest by Italy in the Hanish Group, the occupation of which would enable her to command the sea route at the southern end of the Red Sea. Moreover, any suggestion of sovereignty by the Imam over the Farsan Islands would be likely to cause difficulties with Ibn Saud. They feel in general that it would be definitely contrary to British interests and to the maintenance of peaceful conditions in the area concerned that any ownership should be conceded to the Imam in respect of the Red Sea Islands, and they therefore think it undesirable that any sort of offer to hear and represent his views should be put before him as an inducement to sign a treaty. Indeed, they suggest that it would not be permanently conducive to good relations with the Imam to hold out any suggestion that the islands are an " open question," if His Majesty's Government have in fact no intention of admitting any part of his claims.

24. Admiralty.—See no objection to the Resident's suggestion, but they consider it undesirable that His Majesty's Government should be committed in any way to raising this difficult question with the other Powers concerned during any particular period. It is possible that acknowledgment of the nominal sovereignty of the Imam over the islands in question (other than Perim) might provide the best way out of the present impasse, provided that the special position of His Majesty's Government at Kamaran, &c., is recognized. On the other hand, the present state of doubtful ownership is in many ways that which best suits the Admiralty.

25. Foreign Office.—Consider that His Majesty's Government should not be committed, even hypothetically, to referring the views of the Imam to the other signatories of the Treaty of Lausanne, or to taking any action whatsoever upon them. Moreover, they point out that when this question was discussed at the meeting of the Sub-Committee on the 4th of July, 1932, the view was taken that it would be impossible to give the Imam any substantial satisfaction in regard to these islands (other than coastal rocks and islets), and that it would be undesirable for the time being, at any rate, to invite him to define his claims more precisely. They therefore think it would be preferable to postpone further consideration of the point until the Imam's reply to the Resident's letter of the 22nd of October, 1932,* has been received. Nevertheless, if the majority of the other Departments concerned hold the view that the suggestion should be approved without further delay, they will not press that consideration of the point should be postponed.

26. The views of the India Office have not yet been received.

Colonial Office,
12th January, 1933.

C. 97857/32 [No 258]

No. 122.

THE SECRETARY OF STATE to THE RESIDENT.

(Sent 4.0 p.m., 19th January, 1933.)

TELEGRAM.

(Paraphrase.)

No. 2. Secret. With reference to your Secret despatch No. 216,† the terms of your letter of the 22nd of October to the Imam are approved.

No prospect is seen by His Majesty's Government of giving Imam any substantial satisfaction regarding islands (other than coastal rocks or islets which, however, are presumably not what he is now concerned about) and they would not be prepared to refer his views on the question of islands to the other signatories of the Treaty of Lausanne. If Treaty is signed the Imam will presumably raise island question and you would naturally inform him that you will report his representations to His Majesty's Government, but His Majesty's Government, as at present advised, think you should make it clear in undertaking to do this that you have no reason to suppose that they will feel able to take action in the matter. The position can, however, be considered further if you wish to raise it again when you have received a reply to your letter of 22nd October.—Cunliffe-Lister.

* Enclosure in No. 290 in Middle East No. 34.

† No. 290 in Middle East No. 34.

C. 97857/32 [No. 259].

No. 123.

MR. H. R. COWELL (COLONIAL OFFICE)

to

LIEUTENANT-COLONEL B. R. REILLY (RESIDENT, ADEG).

[*Answered by No.* 126.]

Downing Street, 21st January, 1933.

MY DEAR REILLY,

IN our Secret telegram No. 2 of the 19th of January,* we gave you the views of His Majesty's Government regarding the Imam's claim to certain islands in the Red Sea, which was again brought to your notice through the medium of Mr. Bailey

I think the telegram is self-explanatory, but in reaching our decision on the question there was a minior point which we had in mind. namely, the desirability of doing nothing to encourage the use by the Imam of non-official intermediaries such as Mr. Bailey. You will recollect the embarrassment caused by His Majesty's Government by the similar intervention on the part of Commander Craufurd in the earlier negotiations with the Imam. Reading between the lines of your despatch of the 26th of October,† and judging from the terms of your letter of the 22nd of October to the Imam, we feel sure that you had not lost sight of this aspect of the matter, but we have thought it as well to send you this line to record our own views in case the Imam shows any signs of continuing the practice in the future.

Yours, &c ,
H. R. COWELL.

17957/33 [No. 1].

No. 124.

COMMITTEE OF IMPERIAL DEFENCE.

STANDING OFFICIAL SUB-COMMITTEE FOR QUESTIONS CONCERNING THE MIDDLE EAST.

(Secret.)

REVISED MINUTES OF A MEETING OF THE SUB-COMMITTEE HELD AT No. 2, WHITEHALL GARDENS, S.W.1, ON TUESDAY, 17TH JANUARY, 1933, AT 3.30 P.M.

Present :

MR. A. C. C. PARKINSON, C.M.G., O.B.E., Assistant Under-Secretary of State, Colonial Office. (In the Chair.)
CAPTAIN H. R. MOORE, D.S.O., R.N., Director of Plans Division, Admiralty.
MR. G. W. RENDEL, C.M.G., Counsellor, Foreign Office.
GROUP-CAPTAIN R. E. C. PEIRSE, D.S.O., A.F.C., Directorate of Operations and Intelligence, Air Ministry.
COLONEL K. D. B. MURRAY, C.B., D.S.O., General Staff, War Office.
MR. R. A. GRIEVE, O.B.E., Assistant Secretary, Treasury.
MR O. G. R. WILLIAMS, Assistant Secretary, Colonial Office.
MR. J. G. LAITHWAITE, Principal, India Office.

The following were also present :

WING COMMANDER W. A. MCCLAUGHRY, D.S.O., M.C., D.F.C., Directorate of Operations and Intelligence, Air Ministry.
MR. C. F. A. WARNER, First Secretary, Foreign Office.
MR. K. R. JOHNSTONE, Second Secretary, Foreign Office.
MR. A. F. MORLEY, Assistant Principal, India Office.
MR. S. I. JAMES, Colonial Office.
MAJOR N. G. HIND, M.C., Secretary to the Sub-Committee.

Imam of the Yemen—Claim to Islands of the Red Sea.

THE COMMITTEE proceeded to consider the question of the claim advanced to

* No. 122. † No. 290 in Middle East No. 34.

certain islands in the Red Sea by the Imam of the Yemen, which was the subject of the following papers :—

Paper No. M.E. (O) 85—Memorandum by the Colonial Office.*
Paper No. M.E. (O) 86—Copy of letter giving the views of the India Office.

THE CHAIRMAN stated that the general opinion appeared to be that the Resident should avoid making any offer to the Imam to represent his views regarding the islands since His Majesty's Government could in fact give him no satisfaction in the matter. If the Imam were to raise the question at any time with the Resident, the latter would naturally report the matter to His Majesty's Government.

He circulated a draft telegram, which had been prepared in the Colonial Office. He explained that the draft followed in part the Foreign Office letter on the subject, but that it would leave it open to the Resident to raise the matter again, if he wished to do so, when he had received a reply to his letter of the 22nd October† to the Imam.

MR. RENDEL said that two types of islands appeared to be involved, firstly the coastal islets and rocks which were of little importance, and about which there was no dispute; and secondly those whose ownership was controversial, and on which we could give the Imam no satisfaction whatever. Any invitation to the Imam to express his views would give the impression that we might do something about them; and as there was nothing which we could do, it would surely be better not to issue the invitation. There was nothing, however, to prevent the Imam from stating his views on any subject to us in the ordinary way after the conclusion of a Treaty, as we should then be in regular relations with him. Mr. Rendel was definitely opposed to giving the Imam any encouragement to hope that His Majesty's Government would refer his claims to the "controversial" islands to the other signatories of the Treaty of Lausanne.

MR. LAITHWAITE said that the India Office were in general agreement with the views of the Foreign Office. They felt considerable doubt whether action on the lines suggested by the Resident was likely to be of much bargaining value, having regard to the undesirability of encouraging the Imam to entertain hopes which there could be no possibility of fulfilling.

GROUP-CAPTAIN PEIRSE stated that the Air Ministry maintained their objection to the question of the sovereignty of these islands being discussed.

MR. WARNER and MR. RENDEL suggested certain alterations in the draft telegram, as prepared in the Colonial Office. These are incorporated in the following conclusion

CAPTAIN MOORE said that the Admiralty preferred that the question of the disposal of these islands should remain in suspense. He was prepared to agree to the draft telegram and to the amendments proposed by the Foreign Office representatives.

Conclusion.

It was agreed that the Colonial Office should despatch the following telegram‡ to the Resident at Aden :—

"Secret. Your Secret despatch No. 216. Terms of your letter of 22nd October to Imam approved.

His Majesty's Government see no prospect of giving Imam any substantial satisfaction as to islands (other than coastal rocks or islets which however, are presumably not what he is now concerned about) and they would not be prepared to refer his views on question of islands to other signatories of Lausanne Treaty. If Treaty is signed Imam will presumably raise island question and you would naturally inform him that you will report his representations to His Majesty's Government, but as at present advised His Majesty's Government think you should make it clear in undertaking to do this that you have no reason to suppose that they will feel able to take action in the matter. The position can, however, be further considered if you wish to raise it again when you have received a reply to your letter of 22nd October."

[THE CHAIRMAN stated that a personal letter§ would also be sent to the Resident emphasizing the undesirability of doing anything to encourage unofficial intermediaries in dealing with the Iman.]

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* No. 121. † Enclosure in No. 290 in Middle East No. 34. ‡ No. 122. § No. 123.

17957/33 [No. 2].

No. 125.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 30th January, 1933.)

[*Answered by No.* 129.]

(Secret.)
(No. 14.)

SIR, The Residency, Aden, 14th January, 1933.

I HAVE the honour to forward a copy of a letter which I have received from the Imam of Sana'a, and of the interim reply that I have sent thereto. His letter is the result of informal exchanges of opinion which, on the Imam's initiative, have been conducted through the medium of Mr. Salih Ja'far, the British Political Clerk at Hodeida. At the Imam's invitation, and with my consent, Mr. Salih Ja'far has recently paid two visits to Sana'a, as reported in paragraphs 2,163, 2,172, 2,187 and 2,209 of the Aden Political Intelligence Summaries. He had interviews with the Imam himself, with Qadhi Muhammad Ragheb Bey, the Imam's adviser on foreign affairs, and with Qadhi 'Abdulla al 'Amri, the Imam's principal minister, with all of whom discussion was confined to the difficulties involved in the wording of the third Article of the proposed Treaty. I authorized Mr. Salih Ja'far to say that I was willing to consider any verbal modification which might satisfy the Imam without contravening the instructions of His Majesty's Government, by which I was bound.

2. As will be seen from his letter, the changes which the Imam has now suggested in the third Article are as follows:—

(*a*) He has substituted the words "southern Yemen territories" for "southern frontier of the territories of His Majesty the King of the Yemen."

(*b*) He has omitted all the words commencing "it being understood that nothing contained in this article . . ." down to the end of the article as worded in the draft forwarded with your Secret despatch dated 14th April, 1932.* For this he has substituted the following:—

"The present situation shall remain as it is now on the date of the conclusion of this Treaty. As to the islands of Al Yemen there shall be no change in their status prejudicial to the original rights of the Government of the Yemen."

3. The change at (*a*) may be innocuous, but it raises the old point of the distinction between the political and geographical interpretations of the term "Yemen." There is little doubt that in the Imam's mind the expression "southern Yemen territories" means the Aden Protectorate, probably including Aden itself, and the use of the word "Yemen" in a geographical sense tends to obscure the fact that His Majesty's Government are prepared to recognize the Imam as "King of the Yemen" only in the political sense which identifies "Yemen" with the territory that is now actually under his control. On this point the wording proposed in the British draft is therefore preferable, and ought, if possible, be retained.

4. The main point with regard to the first part of the alteration in (*b*) is that the Imam has eliminated all reference to his own and to His Majesty's Government's rights in the Protectorate. This avoidance of any mention of conflicting "rights" and "claims" is intended to remove one of the principal recent obstacles to agreement, and is, in my opinion, a genuine effort to resolve the deadlock and to come to terms. It may be acceptable to His Majesty's Government, in spite of the deletion that it involves of a reference to British claims

5. The omissions of the Imam's explicit undertaking against aggression or interference in the Protectorate is less satisfactory. It may be argued that this undertaking is implied in the Imam's agreement to respect the situation existing at the conclusion (*i.e.*, signature) of the Treaty, and in the assurance of peace, friendship, and good relations contained in Article II of the Treaty, but I nevertheless consider that the definite undertaking ought to be restored, and that it might be made mutual.

6. The Imam's persistence in his claim to unspecified islands presents a serious difficulty. Ragheb Bey assured Mr. Salih Ja'far in conversation that the term "islands" is not intended to include Perim, and said that it referred to the Farsan group, Kamaran, and the Hanish and other smaller islands in the Red Sea. It has been explained to the Imam, both in writing and verbally, that the terms of the Treaty of Lausanne preclude the British Government from entering into any separate engage-

* No. 278 in Middle East No. 34.

ment with him in relation to these islands, but Mr. Salih Ja'far was unable to persuade him to drop this point, although he formed an impression that I might be able to do so if I were to visit Sana'a personally. Without suggesting such a possibility to the Imam, I have endeavoured to think of a formula on this subject which might satisfy both parties to the Treaty, such as a statement that His Majesty's Government note the existence of the Imam's claims to the islands, and that these claims will be borne in mind in any final settlement with regard to the islands to which His Majesty's Government may agree; or, alternatively, that some undertaking might be given of the nature suggested in my despatch No. 216 dated 26th October, 1932,* to you. I shall be glad to know whether His Majesty's Government would be prepared to consider any compromise on this issue, or whether they must insist on the complete exclusion of this question from the negotiations.

7. Mr. Salih Ja'far informed the Imam of my intended journey to India this month (reported to you in my telegram No. 243 dated 7th December, 1932,†) and of the prospect of my going to England on leave in April, and the Imam hastened Mr. Salih Ja'far's return to Aden (with the letter whose receipt I am now reporting) in the hope of arranging for my visit to Sana'a to take place between my return from India and my departure to England. The Imam, who is now an old man, has lately been in indifferent health and Mr. Salih Ja'far attributes his increasing anxiety for the conclusion of a treaty to a desire, which is strongly shared by his advisers, to regularize his relations with His Majesty's Government before his death precipitates a struggle among his sons for the succession and lays his country open to the danger of foreign penetration.

8. Had the Imam's letter been more satisfactory, that is to say, had he withdrawn his claim to the islands, and had he given an assurance that his prohibition of Aden-Yemeni land trade would be removed, I should have recommended the immediate acceptance of his invitation to go to Sana'a, as it appears to me that the question of the Protectorate has now reached a point at which it should be susceptible of a satisfactory solution through personal conversation. But, as it is, I feel that by going to Sana'a I should be likely only to involve myself in arguments which, instead of leading to a final conclusion, would result either in failure or in further references to London. I share the Imam's belief that the British Government do not wish to pass the time indefinitely in an interchange of letters, and I suggest that a term ought soon to be put to the present correspondence by informing the Imam that, if he cannot come to agreement within a certain time on the points which His Majesty's Government regard as essential, they will be compelled reluctantly to break off negotiations. In view of his apparently strong desire for a settlement, a communication of this nature might induce him to clinch the matter by acceptance.

9. I shall be grateful if you can find it possible to send your reply to this despatch to me by telegram to enable me to communicate the views of His Majesty's Government to the Imam as soon as possible.

I have, &c.,
B. R. REILLY,
Resident, &c

Enclosure 1 in No. 125.

IMAM YAHYA BIN MUHAMMAD HAMD-UD-DIN, SANA'A to LIEUTENANT-COLONEL B. R. REILLY, RESIDENT, ADEN.

A. C.

WE beg to tender our most friendly respects and becoming and sincere sentiments to Your Excellency with the hope that Your Excellency will succeed in (solving) the most important matters.

We beg to state that we have already communicated the necessary explanations in our letter of 1st Safar, 1351 (5th June, 1932), which was a reply to your esteemed letter No. 257 of 1st Muharram, 1351 (7th May, 1932). We have stated (therein) that we had most willingly considered the draft Treaty sent by Your Excellency and informed you that the Articles embodied in the said Treaty were agreeable and fit for discussion and negotiation, being in accord with the principles. In fact we have fully explained that after discussing the said Articles, we will complete them in an agreeable

* No. 290 in Middle East No. 34.

† C. 97890/32 [No. 4]: not printed.

and blessed manner, and that absolute and sincere friendly relations between the two Governments will undoubtedly be established and the intentions and benefits of both sides will by the will of God be maintained or secured. We further stated, that considering the principles, all the aforesaid Articles contained nothing prejudicial or inconsistent which would not be acceptable or agreeable. In addition to this, we also explained that the third Article is the spirit of the Covenant (Treaty), and that we do not agree to change it, and that its inclusion is of great importance to us and pointed out the reasons underlying this. There will be no harm or degradation whatever to the British Government in accepting our very (wording of the) third Article and this fact is definitely known to us, yet in these circumstances we really feel pained to see your persistence to such an extent on this subject for no reason, and we feel sorry and displeased to see that the British Government suspect our religious truthfulness and firmness and (doubt) the fulfilment of our Covenant which is free of defects, firm and acknowledged, historically. Owing to the persistence on this subject which we perceive on your part we were obliged to explain our intentions and objects, and the great importance and necessity we attach to this matter both in writing to Your Excellency and verbally through some private means also.

Notwithstanding all this, we have, on this occasion, modified the said Article in a form which will be objectionable to neither party, and in order that it may serve as a decisive sign in proving the respect and sincere friendly relations we maintain towards the British Government, and as a new proof of our goodwill towards them we beg to submit the form herein mentioned below to Your Excellency and despatch it with Salih Ja'far. We entertain no doubt that the British Government does not want to pass the time by (mere) communication with us but that they have a firm or real intention to conclude a true and sincere agreement with us. We hope that you will not by the will of God disappoint the confidence we have in you. For the reason of your persistence we have had to alter the third Article under reference to its present form although its (altered) contents are somewhat degrading to us:—

> " The Settlement of the question of the southern Yemen territories is deferred pending the conclusion in whatever way may be agreed upon by both contracting parties in a spirit of friendship and complete concord, free from any dispute or difference, of the negotiations which shall take place between His Britannic Majesty's Government and His Majesty the King of the Yemen, the Imam, before the expiry of the period of the present Treaty The present (existing) situation shall remain as it is now on the date of the conclusion of this Treaty.
>
> " As to the islands of Al Yemen, there shall be no change in their status prejudicial to the original rights of the Government of Al Yemen."

We feel confident that we have a right to ask that due attention be paid by the great British Government to the good intentions shown by us to this degree towards them. If Your Excellency is interested in and agrees to complete and conclude this last form, we shall await Your Excellency's visit to us with great pleasure for discussing and completing negotiations and signing the Treaty under reference. We request you to notify us of the day and date of your coming. We assure you of the sincere friendship we maintain towards your great Government and entertain good confidence and friendship to Your Excellency.

Dated 9th Ramazan, 1351.
= 6th January, 1933.

Enclosure 2 in No. 125.

(No. C/31.)
A. C.

YOUR HIGHNESS, The Residency, Aden, 14th January, 1933.

I HAVE the honour to acknowledge receipt of Your Highness's letter dated 9th Ramazan, 1351 (6th January, 1933), and to state that I appreciate Your Highness's efforts to reconcile your own views with regard to the wording of the third Article of the proposed Treaty with those of His Majesty's Government. I am communicating the alteration which you now suggest with regard to the question of the southern frontier to His Majesty's Government in order to ascertain whether it is acceptable to them.

2. I regret to observe that Your Highness still desires to include in this Article a reference to the islands of the Yemen in spite of the explanations that I sent to you in my letters Nos. C/257 and C/514 dated respectively 7th May, 1932, and 3rd September, 1932, of the reasons which make it impossible for the British Government to deal with this question in a separate treaty with Your Highness, and I do not anticipate that His Majesty's Government will be prepared to modify their attitude on this question.

3. I also regret that Your Highness has made no reference to my representations to you with regard to the restrictions on the overland trade between the Yemen and Aden, which are not compatible with the friendly relations which I realize Your Highness is anxious to promote and which I strongly desire to see established.

4. I shall communicate the views of His Majesty's Government on your letter to you as soon as they are received, and I trust that you will in the meantime consider the advisability of smoothing the path further by removing the obstacles which remain, and the continuance of which prevent me from accepting your invitation to visit you at the early date for which I had hoped.

B. R. REILLY,
Resident and Commander-in-Chief, Aden.

His Highness Imam Yahya bin Muhammad bin
Hamid-Ud-Din, Sana'a.

17957/33 [No. 7].

No. 126.

LIEUTENANT-COLONEL B. R. REILLY (RESIDENT, ADEN)
to
MR. H. R. COWELL (COLONIAL OFFICE).

MY DEAR COWELL, The Residency, Aden, 15th February, 1933.

THANK you for your demi-official letter dated 21st January, 1933.*

I realize the desirability of discouraging the use by the Imam of non-official intermediaries such as Mr. Bailey, and my letter of 22nd October, 1932,† to the Imam was intended to do so. I remember very well the harm and delay that have been caused in the past by the intervention of unofficial volunteers, and I advised Mr. Bailey, when he came to Aden, not to take up a rôle for which he himself realized that he is entirely unsuited.

I am sending to the Colonial Office by this mail a copy of the Imam's last letter to me, in which he declines to raise his embargo on land trade between his territory and the Aden Protectorate, and adheres to his claim to the Red Sea islands. I think it is time to put some pressure on him by letting him know that the negotiations cannot be permitted to drift indefinitely while he continues to occupy portions of the Aden Protectorate, to hold British protected persons as prisoners, to prohibit the legitimate trade of the Protectorate with the Yemen, and to persist in territorial claims which he has repeatedly been told cannot be recognized in the Treaty. Too much patience is not a virtue in dealing with the Imam, and it would be well if he were made to understand that ours may soon be exhausted.

Yours, &c.,
B. R. REILLY.

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* No. 123. † Enclosure in No. 290 in Middle East No. 34.

17957/33 [No. 6].

No. 127.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 27th February, 1933.)

[*Answered by No.* 129.]

(Secret.)
(No. 34.)

The Residency, Aden, 15th February, 1933.

SIR,

I HAVE the honour to refer to my Secret despatch No. 14, dated 14th January, 1933,* and to enclose, for your information, a copy of a further letter dated 26th January, 1933, from the Imam of Sana'a.

I have, &c.,
B. R. REILLY,
Resident, &c.

Enclosure in No. 127.

29th Ramadhan, 1351 = 26th January, 1933.

HIS HIGHNESS THE IMAM OF THE YEMEN TO LIEUTENANT-COLONEL B. R. REILLY, RESIDENT AND COMMANDER-IN-CHIEF, ADEN.

A. C.

WE have received your esteemed letter No. C/31, dated 18th Ramadhan, 1351 (15th January, 1933), and we have become very pleased on reading it. We recalled to our mind your good name. We beg to explain to Your Excellency that we have agreed to the change and curtailment of the third Article which we consider to be the most important and most necessary article for us, in order to prove our earnest inclination merely to make it possible to come to an agreement with the great British Government and in order that it may serve as a new proof of our goodwill. We hope that this true and sincere friendship on our part will have your Government's consideration Inshalla.

As to the mention of the Yemen Islands, we have made no condition, pressure, or demand on that subject. We have only given a hint regarding any dealing with or adjustment of the said islands that may be made. We have inserted a paragraph in order to preserve the *status quo* perpetually. We submissively state that it was incumbent upon us not to make any change which would be prejudicial to our Government and Kingdom at either the present time or in the future. We have drawn up a clause which aims at this object and nothing else. Nothwithstanding this we have made simple and short (or abbreviated) clauses (or drafts) which may possibly be acceptable and chosen, and so the refusal on the part of the great British Government to the above endorsement was unexpected or not hoped for as a sign of the goodwill and friendliness entertained for our Kingdom. We think that the demand for further sacrifices over and above all that, is inconsistent with the desired object which is the conclusion of friendly relations between the two Kingdoms.

As to the other special matters (to which you have referred and as we have already submitted and explained to you repeatedly, we have no doubt that Your Excellency is paying attention to them) we say that it is impossible before the conclusion of the friendly ties between the two Governments, to make material or substantial arrangements for the organization and adjustment of such matters and for rendering good assistance in that respect. Such being the case, we repeat our request to you to use your earnest efforts to secure and establish ties of affection and friendship between the two Kingdoms.

We beg to confirm our respects.

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* No. 125.

17957/33 [No. 15].

No. 128.

COMMITTEE OF IMPERIAL DEFENCE.

STANDING OFFICIAL SUB-COMMITTEE FOR QUESTIONS CONCERNING THE MIDDLE EAST.

(Secret.)

MINUTES OF THE 23RD MEETING OF THE SUB-COMMITTEE HELD IN CONFERENCE ROOM "A," 2, WHITEHALL GARDENS, S.W.1, ON TUESDAY, 7TH MARCH, 1933, AT 3.0 P.M.

(SUBJECT—PROPOSED TREATY WITH THE IMAM OF THE YEMEN.)

Present:

MR. A. C. C. PARKINSON, C.M.G., O.B.E., Assistant Under-Secretary of State, Colonial Office. (In the Chair.)
GROUP CAPTAIN R. E. C. PEIRSE, D.S.O., A.F.C., Directorate of Operations and Intelligence, Air Ministry.
MR. G. W. RENDEL, C.M.G., Counsellor, Foreign Office.
MR. R. A. GRIEVE, O.B.E., Assistant Secretary, Treasury.
MR. J. G. LAITHWAITE, Principal, India Office.

The following were also present:

MR. H. R. COWELL, C.M.G., Assistant Secretary, Colonial Office
COMMANDER J. W. RIVETT-CARNAC, D.S.C., R.N., Plans Division, Admiralty.
MR. K. R. JOHNSTONE, Second Secretary, Foreign Office.
MR. A. F. MORLEY, Assistant Principal, India Office.
MR. S. I. JAMES, Colonial Office.
MAJOR N. G. HIND, M.C., Secretary to the Sub-Committee

The SUB-COMMITTEE had before them the following papers dealing with the proposed Treaty with the Imam of the Yemen:—

Despatch dated 14th January, 1933,* from the Resident at Aden. (Paper No. M.E. (0) 89.)
Despatch dated 15th February, 1933†, and enclosure, from the Resident at Aden. (Paper No. M.E (0) 90.)
Draft of Treaty. (Paper No. M.E. (0) 91.)

THE CHAIRMAN said that there were two problems for discussion:—

(*a*) the substance of Article III of the proposed Treaty; and
(*b*) the instructions to be given to the Resident at Aden as regards the procedure to be followed and subsequent action.

MR. COWELL said that he assumed that the Sub-Committee would adhere to the view that there were no such advantages to be gained from the conclusion of a treaty as would justify our making any material concessions to the Imam. He considered that in the first place it was necessary to support the Resident in his refusal to proceed to Sana'a until the Imam had removed the existing trade restrictions. The time had now come, in his opinion, to intimate to the Imam that His Majesty's Government cannot continue indefinitely to haggle over preliminary negotiations. As regards the proposed re-draft of Article III, he had no objection to the substitution of the words "southern Yemen territories" for "southern frontier of the territories of His Majesty The King of the Yemen" seeing that the Imam's wording apparently agreed without reserve to the maintenance of the existing position *sine die*. The material objection to the proposed rewording of Article III was that it contained no undertaking to respect the existing frontier. He pointed out that the main advantage to be obtained from the conclusion of a treaty would lie in the provision of facilities for the prompt settlement of frontier incidents by responsible persons representing the Resident and the Imam. He thought, however, that there would be no harm in accepting this wording, subject to the addition of some reciprocal clause binding both parties to respect the existing boundaries. He said that the Colonial Office maintained their objection to dealing with the somewhat nebulous question of the Red Sea Islands in the proposed Treaty. He, however, thought that a formula, such as that proposed by the Resident at Aden in paragraph 6 of his letter of the 14th January, might prove the solution.

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* No. 125. † No. 127.

MR. LAITHWAITE said the India Office were not very directly concerned and would be prepared to agree to any solution which commended itself to the Foreign Office and Colonial Office. They fully subscribed to the views expressed by Mr. Cowell as regards the necessity for raising trade restrictions and for indicating to the Imam that we cannot continue indefinitely to haggle over preliminary negotiations. As regards the proposed redraft of Article III they agreed, however, with the Resident that the wording of the existing British draft, in so far as it referred to the southern boundary of the Yemen was preferable to that suggested by the Imam and should be retained. As regards the final sentence of Article III they were disposed to agree with the Colonial Office views.

The question of the islands was one of great difficulty. So far as the India Office were concerned they remained of their previous view that it was undesirable in any way to commit ourselves on the subject. This was particularly the case now that we had some indication that while the islands in which the Imam was interested did not include Perim they definitely did include Kamaran and the Hanish and Farsan Islands. It was clearly quite impossible for us to enter into any commitment in respect of any of these islands. The Italians were known to be interested in certain of the Hanish group; we had international obligations in respect of Kamaran, quite apart from those incumbent on us in the Treaty of Lausanne; and the position of the Farsan Islands was one of quite peculiar difficulty, since, apart from the fact that they might be regarded as remaining for disposal under the Lausanne Treaty, they did *de facto* form part of the territories of the Kingdom of Asir. which had now been overrun by Ibn Saud, but Ibn Saud's good title to which had not yet formally been recognized by us.

On the general question of tactics, the balance of advantage seemed definitely to rest with action on the lines suggested in the last paragraph of the Resident's despatch. We had nothing to lose by delay. On the other hand, it became increasingly clear as time went on that delay was not in the interest of the Imam and that he had good reasons of his own for desiring to conclude a settlement with His Majesty's Government in the near future. Subject to the views of the Foreign Office he was, therefore, inclined to think that we should confine possible concessions to the Imam to the modification of the last sentence of Article III, informing him at the same time that, failing his acceptance of our other desiderata, the negotiations must be regarded as at an end.

MR. RENDEL, in reply to a question whether the Imam could be regarded as having a valid claim to the islands as successor to the Ottoman Empire or whether he could be regarded as having been the real sovereign of the islands, irrespective of the claims of the Ottoman Empire over his territory, pointed out that the status of the Imam in relation to the Ottoman Empire, though not immediately relevant to the present issue, was a matter of some importance. Our main claim to the present frontier between the Yemen and the Aden Protectorate rested on our pre-war frontier agreement with the Ottoman Government. If anything were now to be said or done which implied a doubt as to whether the Yemen had been legally part of the Ottoman Empire before the war, the effect would be to cast a doubt on the validity of the arrangements we had made with the Ottoman Government regarding the frontier of the Protectorate, and thus to play into the Imam's hands. Moreover any doubt cast on the validity of these Anglo-Turkish arrangements might equally affect other frontiers in Southern Arabia such as that between Nejd and Qatar, &c. If, however, the Yemen and any islands pertaining to it were regarded as being legally a part of the pre-war Ottoman Empire (which was of course the case), the islands pertaining to the Yemen were fully covered by Article 16 of the Treaty of Lausanne and their disposal was therefore a matter for international agreement.

Having dealt with this subsidiary question, Mr. Rendel then proceeded to deal with the question of the proposed amendments to Article III of the draft Treaty. While he did not wish to raise undue difficulties, his personal view was that the first amendment proposed by the Imam, *i e.*, the substitution of the words " southern Yemen territories " for the words " southern frontier of the territories of His Majesty the King of the Yemen," was open to grave objections. The latter phrase has been evolved as a result of much laborious consideration, in order to avoid any implication that the term " Yemen " could be regarded as covering the Aden Protectorate. The Imam had, throughout these discussions been concerned to try to secure a wording which might enable him to claim that the Protectorate and even the settlement of Aden were part of his ancestral domains. The wording proposed by His Majesty's Government made it clear that the Yemen was a territory lying to the north of the Protectorate and possessing a frontier dividing it from the Protectorate. The Imam's wording would go much further towards keeping the Imam's claims alive than the proviso in the draft

Yemem " in the Treaty by making it possible to give that term a far more extended meaning and would therefore mean that our recognition of the Imam as King of the Yemem might be taken as going a good deal further than we intended it to. He felt strongly therefore that on this point no concession to the Imam should be made and that we should stick to the statement which had already been made to the Imam that our wording on this point could not be modified.

As regards the second amendment proposed, *i.e.*, that the undertaking to refrain from aggression should be mutual, he could not for the moment recollect the precise reason why His Majesty's Government had thought it best to propose that this undertaking should be unilateral. Unless, however, there had been some very strong reason for this, he thought there could be no objection to making the undertaking mutual. He believed that the Air Ministry had at one time been anxious to retain complete freedom to take action against the Imam's territory in case of need. To the best of his recollection, however, it had already been agreed that such action could only be taken in the event of the Imam himself having so grossly violated the new Treaty as to release us from our obligations under it. Unless, therefore, other Departments saw serious objection, he did not think the Foreign Office would object to making the non-aggression undertaking binding on both parties.

As regards the islands, he felt that the position was still as described by the Foreign Office when the matter was last discussed (see M.E. (0) 85), *i.e.*, that it would in fact be impossible to give the Imam any real satisfaction over these islands, and that anything we said to him on the subject must therefore be either unnecessary or misleading If it was merely a question of hearing the Imam's views, it would obviously be open to the Imam to express any views he liked to us on any subject, after the Treaty had been concluded, when we should have a resident Representative in the Yemem with whom he would be in constant communication. Moreover, there was a further objection to referring in any communication to the Imam to "the islands of the Yemem" since this was to a large extent begging the question of whether they had any connexion with the Yemem or not. On the other hand, not wishing to be purely destructive, it had occurred to him, as a purely personal suggestion, that something might be done to meet Colonel Reilly's suggestion by addressing a communication to the Imam which should refer not to the " islands of the Yemem," but to " those islands at the southern end of the Red Sea which are covered by Article 16 of the Treaty of Lausanne " This would automatically exclude Perim, and could be taken as excluding the Farsan Islands, which had now been generally recognised as being under the effective sovereignty of Ibn Saud. It would also leave the question open whether the Hanish Islands were or were not covered by Article 16 of the Treaty of Lausanne—a question on which he believed the Italian Government held strong views. It would then be possible for the Resident at Aden to write to the Imam, saying that if and when the fate of the islands at the southern end of the Red Sea covered by Article 16 of the Treaty of Lausanne, should come up for discussion, His Majesty's Government would be prepared in such discussion to bear the Imam's views in mind.

MR. LAITHWAITE said that the formula seemed to offer a very satisfactory method of disposing of this question if it was thought desirable to go any distance to meet the Imam in respect of it. On the general question the India Office would be guided by the other Departments. But he was himself disposed to question whether it would not be better to make no advance towards the Imam at the moment. In this connexion it should not be overlooked that if it were necessary to register the proposed treaty when concluded with the League of Nations the possible reaction of any undertaking of the noture suggested would have to be carefully considered.

MR. RENDEL pointed out that an undertaking of this nature, if given, would be communicated to the Imam in a separate letter and would not form part of the Treaty.

GROUP-CAPTAIN PEIRSE stated that the Air Ministry thought that any reference to the islands should be omitted.

COMMANDER RIVETT-CARNAC said that the Admiralty likewise agreed as they were very anxious to avoid the question of the ownership of these islands being raised.

MR. RENDEL then took up the question of the tactics which should be followed. All the information at present in our possession suggested that the Imam was more eager for the conclusion of a treaty than were His Majesty's Government. As far as His Majesty's Government were concerned, no great harm would be done by an indefinite continuance of the present situation. In these circumstances Mr. Rendel entirely agreed that the time had come when we could take a firm line with the Imam. But it seemed to him that it would be the better to do this by sticking to our terms on the main issues and telling the Imam that he must take them or leave them, than by agreeing to further important modifications in those terms and then setting a time limit within

which the Imam must accept them. What would happen when the time limit expired? Should we then withdraw our concessions and go back to stiffer terms? This would hardly be practicable. Indeed, the situation after the expiration of the time limit, however we might represent it, would in fact be much the same as it had been before, and the Imam would know this. It was not as though we were in a position to enforce sanctions against the Imam in the event of his non-acceptance of our ultimatum. The ultimatum would in fact be an illusory one, while the fact that we had first offered further concessions and then tried to hasten the conclusion of a settlement by fixing a date, would give the Imam the impression that we were eager to reach a settlement as soon as possible. He felt, therefore, that the best course would be to state our final terms, first making such minor concessions as we suitably could; to tell the Imam that he must take them or leave these terms; and, in the event of his attempting to argue further, merely to say that we could add nothing to what we have told him, and let the matter drop.

GROUP-CAPTAIN PEIRSE agreed. He thought that to indicate a time limit might lead the Imam to think we were anxious to conclude a treaty. He considered that the Imam should now be told that this is our final offer which he would take or leave. He did not agree with the proposed phrase in Article III " southern Yemen territory," which was vague. The Imam still occupies certain territory within the boundary of the Aden Protectorate. He thought that there should be no ambiguity as to the boundary which might give the Imam an excuse for remaining in possession.

THE CHAIRMAN said that the general view of the meeting appeared to be that there would be no advantage in giving a time limit, but that the Resident should now send a final reply; that the trade restrictions must be removed before negotiations for a treaty could be proceeded with; that the original wording of Article III should be generally adhered to, except that undertaking to refrain from aggression should be made reciprocal and that if the Imam wished, the words from " it being understood " to " in those regions " might be omitted; and that His Majesty's Government should refuse to deal with the islands in the Treaty, but could give an assurance through the Resident in the sense suggested by the Foreign Office.

Conclusion.

THE SUB-COMMITTEE AGREED :—

(1) That as regards the proposed re-wording of Article III of the Treaty the Colonial Office should instruct the Resident at Aden that they were prepared to accept the following rewording :—

> The settlement of the question of the southern frontier of the territories of His Majesty The King of the Yemen is deferred, pending the conclusion, in whatever way may be agreed on by both High Contracting Parties in a spirit of friendship and complete concord, free from any dispute or difference, of the negotiations which shall take place between them before the expiry of the period of the present Treaty.
>
> Pending the conclusion of the negotiations referred to in the preceding paragraph, the High Contracting Parties agree to maintain the situation existing in regard to the frontier on the date of the signature of this Treaty, and both High Contracting Parties undertake that they will prevent, by all means at their disposal, any violation by their forces of the above-mentioned frontier, and any interference by their subjects or persons under their protection with the affairs of the subjects or persons under the protection of the other High Contracting Party.

(2) As regards procedure :—

(*a*) That it would be preferable not to impose any specific time limit for the acceptance by the Imam of the terms put forward by His Majesty's Government, since the situation after the expiration of such a time limit would be much the same as it was before, but instead to inform the Imam of our final terms, make it clear that His Majesty's Government cannot go further towards meeting his views, and refrain from pursuing the correspondence if he should attempt to argue further.

(*b*) That it should be made clear to the Imam that the existing trade restrictions between the Yemen and the Aden Protectorate must be removed before

there can be any question of continuing negotiations for the conclusion of a treaty.

(*c*) That the Imam should be told that His Majesty's Government cannot agree to deal with the question of any islands in the proposed Treaty, but that they will be ready, if a treaty is concluded, and if and when the future of those islands at the southern end of the Red Sea which are covered by Article XVI of the Treaty of Lausanne comes up for consideration, to bear in mind any views which the Imam may wish to put forward in regard to them

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17957/33 [No. 27].

No. 129.

THE SECRETARY OF STATE to THE RESIDENT.

(Sent 7.30 p.m., 24th March, 1933.)

TELEGRAM.

[*Answered by No.* 131.]

(Paraphrase.)

No. 10. SECRET. Reference your despatches of 14th January* and 15th February.† The Imam should be informed that further negotiations are definitely dependent on the raising of trade restrictions.

The Imam's changes in the wording of Article 3 of draft Treaty cannot be accepted and wording of Article enclosed in my despatch of 14th April, 1932,‡ must be retained subject only to undertaking in paragraph 2 being made mutual, though if it is desired by the Imam there is no objection to the omission of last sentence in paragraph 1 beginning " it being understood." A separate telegram§ is being sent to you containing text of paragraph 2 as revised.

His Majesty's Government cannot agree to the inclusion in the proposed Treaty of any reference to the islands, but you may inform Imam that His Majesty's Government will be ready if a treaty is concluded and if and when the future of those islands at the southern end of the Red Sea which are covered by Article 16 of the Lausanne Treaty comes up for consideration to bear in mind any views which the Imam may wish to submit in regard to them

It is thought preferable not to impose a specific time-limit for the Imam's acceptance of the terms proposed as on expiration of time limit situation would be much the same as before. But Imam should be informed that no further concessions can be made as His Majesty's Government cannot go further towards meeting his views. If he should attempt to press his proposals further correspondence should not be pursued.—CUNLIFFE-LISTER.

17957/33 [No. 28].

No. 130.

THE SECRETARY OF STATE TO THE RESIDENT.

(Sent 8.30 p.m., 24th March, 1933.)

TELEGRAM.

[*Answered by No.* 131.]

No. 11. SECRET. Text of paragraph 2 of Article 3 of draft Treaty as revised would be :—

Begins :—Pending the conclusion of the negotiations referred to in the preceding paragraph the High Contracting Parties agree to maintain the situation existing in regard to the frontier on the date of the signature of this Treaty, and both High Contracting Parties undertake that they will prevent by all means at their disposal any violation by their forces of the above-mentioned frontier and any interference by their subjects or by persons under their protection on their side of that frontier with the affairs of the people inhabiting the other side of the said frontier.—CUNLIFFE-LISTER.

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* No. 125. † No. 127 ‡ No. 278 in Middle East No. 34. § No. 130.

17957/33 [No. 40].

No. 131.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 24th April, 1933.)

(Secret.)
(No. 83.)

The Residency, Aden, 12th April, 1933.

SIR,

I HAVE the honour to forward for your information a copy of a letter, dated the 11th April, 1933, and of its accompaniments, that I have addressed to the Imam of Sana'a in accordance with your instructions received on the 25th March, 1933.*

I have, &c.,
B. R. REILLY,
Resident, &c.

Enclosure in No. 131.

(No. C/206.)

The Residency,
Aden, 11th April, 1933.

After Compliments.

YOUR HIGHNESS,

I HAVE the honour to refer to my letter No. 31, dated the 15th January, 1933, in which I stated that I would communicate to Your Highness the views of His Majesty's Government on your letter dated 9th Ramadan, 1351 (6th January, 1933), as soon as I was informed of them. I have now received the reply of His Majesty's Government, the purport of whose instructions to me is as follows.

2. His Majesty's Government desire to retain the wording of Article III of the draft Treaty which was communicated to Your Highness in my letter No. C/257, dated the 7th May, 1932, subject to the following modifications which they are prepared to accept with the object of thereby making the article more acceptable to you.

3. It has been noted that in Your Highness's letter of 9th Ramadan, 1351, you have suggested a draft for this Article in which the original reference to rights claimed by the two Governments in the regions in question has been omitted. In conformity with your proposal His Majesty's Government are willing to omit the sentence "It being understood that nothing contained in this Article or in other Articles of the present Treaty is to be taken as meaning that either High Contracting Party renounces the rights claimed by him in those regions."

4. Secondly, His Majesty's Government are prepared to make the guarantee contained in their draft of the second paragraph of the said Article mutual and equally binding on both Governments instead of only on Your Highness as at first proposed, by the adoption of the following wording in place of that sent to you with my letter of 7th May, 1932:—

> "Pending the conclusion of the negotiations referred to in the preceding paragraph the High Contracting Parties agree to maintain the situation existing in regard to the frontier on the date of the signature of this Treaty and both High Contracting Parties undertake that they will prevent by all means at their disposal any violation by their forces of the above-mentioned frontier, and any interference by their subjects or by persons under their protection on their side of that frontier, with the affairs of the people inhabiting the other side of the said frontier."

5. His Majesty's Government do not wish to insist on either of these modifications; but, if they are acceptable to Your Highness, they are willing to adopt them for the purpose of smoothing the path of agreement.

6. For the reasons that I have given to Your Highness in the explanatory note to my letter No. C/257, dated the 7th May, 1932, and in my letter No. C/514, dated the 3rd September, 1932. His Majesty's Government cannot consent to the inclusion of any reference to the islands in this Treaty. But if the Treaty is concluded they will be ready to bear in mind any views that you may wish to put forward with regard to the islands at the southern end of the Red Sea, which are referred to in Article 16 of the Treaty of Lausanne, if at any time the future status of these islands is under

* Nos. 129 and 130.

consideration. I hope that this assurance will satisfy Your Highness that the conclusion of this Treaty will not prejudice the *status quo* of these islands, and will ensure that you will be given an opportunity of representing your views about them if any change is contemplated in the future.

7. I am instructed by His Majesty's Government to inform Your Highness that the present draft represents their final proposals, and that they can make no further concessions towards meeting your views. I am also instructed to inform you that the continuance of these negotiations is definitely contingent on the removal of the restrictions which you have imposed on trade between the Yemen and the Aden Protectorate.

8. As this is a final offer on the part of His Majesty's Government, I consider it advisable to retabulate the draft Treaty in the form in which they are now prepared to accept it. I enclose the draft with this letter. I hope that Your Highness will realize that it embodies a settlement which will regularize the mutual relations of the two Governments in a manner honourable and advantageous to both of them, and that you will decide to agree to it.

9. The alternative will be a failure of the negotiations at a time when they appear to be on the point of success. By long correspondence, by patience, and by mutual concessions we have reached a general agreement on all essential issues. The friendship that His Majesty's Government offer Your Highness is a genuine one. They have no ulterior motives, but sincerely desire the welfare and stability of Your Kingdom. The time is now favourable for the final completion of this work, and this opportunity should not be lost.

10. I am leaving shortly for England and expect to return to Aden in October. During my temporary absence Mr. R. S. Champion, Political Secretary, will take my place as Resident. He has been in Aden for several years, and is well acquainted with the course of the negotiations. If Your Highness will agree to the terms now proposed and to the removal of the restrictions on trade, without which the Treaty cannot be concluded, Mr. Champion during my absence, or I myself on my return, will be prepared to visit Your Highness at Sana'a for the completion of the negotiations and the signature of the Treaty on the conditions which have been mutually understood and accepted. I trust that this happy termination of our endeavours will not be frustrated.

B. R. REILLY,
Resident, &c.

To His Highness Imam Yehia bin Muhammad
Hamid Uddin, Sana'a.

NOTES FOR THE INFORMATION OF HIS HIGHNESS THE IMAM.

1. The attached draft comprises the final proposals of His Majesty's Government in regard to the Treaty.

2. After the despatch of this draft there can be no further negotiations with His Highness until he has agreed to remove the restrictions on overland trade between the Yemen and the Aden Protectorate.

3. The draft Treaty having been agreed upon, it cannot be signed unless His Highness shall previously have removed all restrictions on overland trade between the Yemen and the Aden Protectorate, and restored and surrendered all the territories and subjects of the Chiefs who are in treaty relations with His Majesty's Government, especially the territories of the Amir of Dhala' in the vicinity of Sana'a, the territories of the Audhali Sultan at Ad Dhaher, and the subjects of the latter Chief and of the Chiefs of Beihan, without damage or detriment to property or person.

Retabulated Draft Treaty in the Final Form Acceptable to His Majesty's Government.

PREAMBLE.

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India on the one part, and

His Majesty the King of the Yemen, the Imam, on the other part.

Being desirous of entering into a treaty on a basis of friendship and co-operation for their mutual benefit.

Have resolved to conclude this Treaty and have appointed as their Plenipotentiaries:

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India.

For Great Britain and Northern Ireland:

His Majesty the King of the Yemen, the Imam:

Who having communicated their full powers, found in good and due form, have agreed as follows:—

ARTICLE I.

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, acknowledges the complete and absolute independence of His Majesty the King of the Yemen, the Imam, in all affairs of whatsoever kind.

ARTICLE II.

There shall always be peace and friendship between the High Contracting parties, who undertake to maintain good relations with each other in every respect.

ARTICLE III.

The settlement of the question of the southern frontier of the territories of His Majesty the King of the Yemen is deferred pending the conclusion, in whatever way may be agreed upon by both High Contracting parties in a spirit of friendship and complete concord, free from any dispute or difference, of the negotiations which shall take place between them before the expiry of the period of the present Treaty.

Pending the conclusion of the negotiations referred to in the preceding paragraph, the High Contracting parties agree to maintain the situation existing in regard to the frontier on the date of the signature of this Treaty, and both High Contracting parties undertake that they will prevent by all means at their disposal any violation by their forces of the above-mentioned frontier, and any interference by their subjects or by persons under their protection on their side of that frontier with the affairs of the people inhabiting the other side of the said frontier.

ARTICLE IV.

After the coming into force of the present Treaty, the High Contracting parties shall, by mutual agreement and concord, enter into such agreements as shall be necessary for the regulation of commercial and economic affairs, based on the principles of general international practice.

ARTICLE V.

(1) From the date of the coming into force of the present Treaty the subjects of one High Contracting party who wish to trade in the territories of the other, shall be amenable to the local laws, and shall receive treatment not less favourable than that enjoyed by the subjects of the other High Contracting party or the subjects or citizens of any other foreign country.

(2) Similarly the vessels of one High Contracting party, their cargoes and their passengers shall in the ports of the territories of the other, receive treatment not less favourable than that accorded to the vessels their cargoes and their passengers of any other foreign country.

(3) For the purposes of this article in relation to His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India:—

(*a*) the word " territories " shall be deemed to mean the United Kingdom of Great Britain and Northern Ireland, India and all His Majesty's Colonies, protectorates and all mandated territories in respect of which the mandate is exercised by His Majesty's Government in the United Kingdom;

(*b*) the word " subjects " shall be deemed to mean all subjects of His Majesty wherever domiciled, all persons under His Majesty's protection and all companies incorporated in any of His Majesty's territories;

(*c*) the word " vessels " shall be deemed to mean all vessels registered in any part of the British Commonwealth of Nations.

ARTICLE VI.

This Treaty shall be the basis of all subsequent agreements that may be concluded between the High Contracting parties now and in the future for the purposes of friendship and amity. The High Contracting parties undertake not to assist nor to connive at any action directed against the friendship and concord now existing between them.

ARTICLE VII.

The present Treaty shall be ratified as soon as possible after signature and the instruments of ratification shall be exchanged at (Sana'a). It shall come into force on the date of the exchange of ratifications and shall thereafter remain in force for a period of 40 years.

In witness whereof the respective Plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

Done at (Sana'a) in English and Arabic both texts having equal force, this day of

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17957/33 [No. 52].

No. 132.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 24th July, 1933.)

[*Answered by Nos.* 140 *and* 141.]

(Secret.)
(No. 162.)

SIR, The Residency, Aden, 12th July, 1933.

I HAVE the honour to refer to Lieutenant-Colonel Reilly's Secret despatch No. 83 of the 12th April, 1933,* and to enclose herewith translations of a letter dated the 20th June, 1933, from the Imam, and of a draft Treaty and a secret appendix that were attached thereto.

2. The Imam " completely and wholly accepts " His Majesty's Government's draft of the Treaty, and states that he will comply with the terms of Colonel Reilly's letter of the 11th April, 1933, and of the Note (or " admonitory document ") annexed thereto: he then characteristically submits a new draft that embodies three major modifications and ten minor amendments of His Majesty's Government's final terms, and concludes his letter with a sentence that means that he has no present intention of removing the restrictions on overland trade between the Yemen and the Aden Protectorate until the Treaty has been signed.

3. The three major modifications referred to are as follows:—

(i) In Article III the words " of the territories of His Majesty the King of the Yemen " have been omitted, presumably with the object of avoiding any commitment that would imply the limitation of the Imam's territories by " the frontier."

The last clause of the same Article reads, " . . . . and any interference by their subjects or from their side of that frontier, &c., ... "; and I take it that the omission of the words " by persons under their protection " is similarly a veiled rejection of our position in the Protectorate.

(ii) In Article V (1) the Imam has reverted to the text of his draft of September, 1930, by re-wording, " . . . . and shall receive equal treatment to that enjoyed by the subjects of a most favoured Power." He has, nevertheless, retained the suggestion of national treatment in the words " shall be amenable to the local laws and judgments " (cf., paragraph 3 of Colonel Reilly's Secret despatch No. 157 of the 17th August, 1932†).

(iii) Drawing (as he says) an inference from paragraph 6 of Colonel Reilly's letter of the 11th April, the Imam has put forward a new secret Article, complementary to Article III, in which he seeks to bind His Majesty's Government to formal (if covert) recognition of his reversionary interests in the Islands of the Yemen, to the definite furtherance of those interests, and to abstention from connivance in the violation of his " fundamental rights " in that respect.

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* No. 131. † No. 286 in Middle East No. 34.

4. The ten minor amendments referred to are as follows:—

(i) *Article I.* The Imam desires the additions of the words " and His Government " after the words " India " and " Yemen " respectively. I conceive that he fears the impermanence of human affairs, and especially of his own, and hopes by these means to secure the Treaty from the accidents of political change.

(ii) *Article IV.* The Imam, in an obscure comment based on a play upon words, argues that international practice is inferior to the international principles by which it is governed; and he deletes the former word.

(iii) *Article V* (1). For reasons not explained, the words " From the date of the coming into force of the present Treaty " are omitted from the Imam's draft.

(iv) For the words " . . . . subjects of the one High Contracting party . . . . ", the Imam proposes " . . . . subjects of each of the High Contracting parties . . . . ".

(v) To the words " . . . . local laws " the Imam adds " and judgments,".

(vi) *Article V* (2). As in (iv) above.

(vii) The Imam omits the words " and passengers " for the reason that, in his view, foreign passengers in a British vessel could (according to His Majesty's Government's draft) claim equal treatment with British subjects in a Yemeni port.

(viii) The words " of the territories " are omitted in the Imam's draft, on the somewhat obscure grounds that " coasts which have no territories have no ports." This argument is so unintelligible that its intention is far to seek; and I am inclined to think that the Imam hesitates to accept here a possible implication that the Protectorate is British territory, *i.e.*, that Aden is a port of the (British) Protectorate.

(ix) *Article V* (3). The Imam omits the whole of this clause of definition, for the ostensible reason that " the interpretation of the meaning of the texts of Articles in Treaties is unusual." Here again I presume that the Imam's motive is the rejection of any reference in the Treaty to our protective obligations and position in the Protectorate.

(x) *Article VII.* The Imam, while accepting the conclusion of the Treaty in bilingual texts, insists that the Arabic text shall be the basis for subsequent interpretation of any of its clauses.

5. My appreciation of the Imam's present attitude is that, pre-occupied by events in Najran and by negotiations with the Sa'udi Mission at Sana'a in that connexion, worried by Italian demands for a financial settlement, and harassed by his own ill-health and the uncertainties of the succession, he has taken the line of utmost caution and has subjected His Majesty's Government's draft of the Treaty to the very closest search to discover the remotest potentialities of danger to his interests. That he has carried this policy to an extreme, in the present instance, may indicate the existence of influences at Sana'a, both foreign and local, that are hostile to the Treaty and are working on the suspicions of a sick and aged man.

6. However that may be, the fact is that there is little in the Imam's present communication to indicate that he has made any real advance towards reconciliation. On the contrary, and in spite of the very explicit statement of the finality of His Majesty's Government's conditions, conveyed to him in Colonel Reilly's letter of the 11th April, 1933, he seems almost to have gone out of his way to throw up new obstacles to a settlement; and he has refused to relax his determination to continue to enforce the restrictions on overland trade, pending signature of the Treaty.

7. In these circumstances it seems clear that no good purpose can be served by a continuance of inconclusive bargaining, and in accordance with the sense of the instructions contained in your telegram No. 10 of the 25th March, 1933,* I would propose to inform the Imam that in view of his refusal to remove the overland trade restrictions until the Treaty is signed, I have been instructed to suspend further correspondence and negotiations with him in regard to the Treaty.

8. I am recommending to you in a separate despatch the desirability for armed intervention to restore to the 'Audhali Sultan that part of his territory (Ádh Dhahir) which is occupied by the Imam, and to effect the release of 'Audhali hostages now in Zeidi hands. In confining the reasons for the suspension of Treaty negotiations solely to the Imam's refusal to remove the trade restrictions, I have in mind the considera-

* No. 129.

tion that any adverse criticism, to the effect that the Treaty will have been pressed on the Imam by threat of force, may be adequately met by the clear separation of the two issues; for while the suspension of negotiations for the establishment of friendly relations is justified by the Imam's persistence in an unfriendly act in the form of the Trade Embargo, the deliverance of the territories and tribes of the 'Audhali Sultan (which His Majesty's Government are bound by treaty to protect) from eight years of armed and oppressive Zeidi domination, is in itself an act of justice, which is overdue, and which will become opportune on the breakdown (for other reasons) of the Treaty negotiations with the Imam.

9. If these 'Audhali operations are approved, their successful conclusion may be expected to impress the Imam with the fact that His Majesty's Government are determined to safeguard their legitimate interests in the Aden Protectorate; and it may facilitate a solution of the embargo problem. Otherwise, it is probable that the suspension of the Treaty negotiations will result in a prolonged deadlock, to the detriment of British prestige in south-west Arabia generally, and to the prejudice of peace and material prosperity in the Aden Protectorate particularly.

10. I therefore request that these considerations may have your favourable attention and that I may receive your instructions at an early date in regard to my communictation of the decision of His Majesty's Government to the Imam. In the meantime I have not replied to the Imam's letter.

I have, &c.,
R. S. CHAMPION,
Acting Resident, &c.

Enclosure in No. 132.

IN THE NAME OF GOD THE MERCIFUL AND COMPASSIONATE.
SEAL OF THE IMAM.

To Lieutenant-Colonel B. R. Reilly,
Resident, Aden.

After Compliments.

WE beg to acknowledge with pleasure your esteemed letter No. C/206 dated 16th April, 1933 (16th Dhul Hijja 1351) which we have carefully perused and considered. We understand from the present situation that His Majesty's Government are reluctant to grant us our demands by reason of some wrong impression they may be entertaining towards us. We have been making repeated insistence on some points only in order to secure certain particular demands which we considered to be very essential for us. His Majesty's Government, on the other hand, have not been able to check themselves from suspicions and doubts that the object of our persistence is the intention on our part to take some action prejudicial to the aims and important interests of His Majesty's Government, after the conclusion of the Treaty.

We wish to give you now a further assurance that the history of our Government is free from the stigma of treachery and the breaking of engagements and promises. It is, thanks to God, completely and wholly innocent of this. We most confidently assert that we are the one Nation which has not violated its engagements, neither during this regime, nor throughout all the time of its existence in the world, although we are utterly poor and weak. The pages of history are seen by all. After the conclusion of the Treaty and the establishment of friendly relations, we are prepared to maintain all its direct and indirect objects. We will never act against one who is in treaty and friendly relations with us. We boast of our sincerity, in the beginning and in the end, and we deem it desirable to submit this preamble in confirmation, although it is not necessary to do so. We consider that the submission of these representations to His Majesty's Government now, before the commencement of the Treaty that is to be concluded, will serve a useful purpose. Having made this essential preface there is something which we feel bound to say. We tender and express our thankfulness to our honourable correspondent, Colonel Reilly, for his good will, skill, zeal, and intelligence, of which we are certain from beginning to end, and for his continued praiseworthy deeds. It is the nature of the Yemenis to regard or esteem one who maintains friendship towards them and to express their undoubted thankfulness to one loyal to them.

Colonel Reilly! Firstly, the draft Treaty that you have sent on this occasion has been completely and wholly accepted.

Secondly, it has been decided by us to comply with your esteemed letter, together with the contents of the admonitory document annexed thereto.

Thirdly, we hasten to explain to Your Excellency that it is our intention utterly to prevent every obstruction and contravention, by the Grace of God.

Fourthly, we therefore request Your Excellency kindly to complete the means for the signing of the Treaty.

We have, however, made an addition only of the words " and His Government," in Article I of the Treaty, as it is absolutely necessary for both contracting parties

In the important Article III we consider the sentence, " of the territories of His Majesty the King of the Yemen " to be superfluous and unnecessary, because this Treaty that is being concluded, basically concerns the territories of the Yemen, and the text of the Treaty has no concern with other than the Yemen and Great Britain.

We also consider that there is no necessity for the inclusion of the phrase, " or by persons under their protection," in the said Article, because the undertaking by each of the two parties to prevent transgression by any person of those on his side is complete and guaranteed.

Article IV is accepted, with the exception of the word " practice," which we consider unnecessary; for there is no " custom " in International Law but the " practice " of the said Law implies its fundamental and exclusive principle.

We have been compelled to omit the word " passengers," in Article V, because " passengers " naturally include different kinds and origins of people, and comprise subjects of various nations. It is obvious that all passengers in general cannot be considered to be British subjects, for surely there may be among the passengers some of the subjects of other Governments, while in fact the Treaty concerns the British Government. We have no intention to make a pact in respect of all Powers in general. Passengers are subject to certain particular regulations and are not normally to be included in such a pact.

We have also omitted the word " territories " from the said Article, because the coasts which have no " territories " have no " ports." We have made the form of the Article to coincide with the form adopted between Powers in such a matter.

Moreover, we do not conceive that there is any necessity at all for interpreting the meanings of the words and expressions used in Article V (3), in Sub-sections (*a*), (*b*), and (*c*); for the interpretation of the meaning of the texts of Articles in Treaties is unusual. We accept the said meanings as they stand and we do not conceive that they can bear any meaning other than that mentioned and explained by Your Excellency.

This is all what we have done We have no doubt that Your Excellency will receive these explanations favourably because they completely conform with right principles and the science of eloquence.

Meanwhile, in addition to this, we have made, in a separate document, a secret appendix to the Treaty agreed upon; and this we have compiled from the inferences and implications of the important reference explained in paragraph 6 of your esteemed letter. We undertake on the part of the Yemen not to disclose or publish this secret appendix in any way or manner, or by any means. This secret appendix will convince and serve as an assurance to us, and will be the absolute cause of our reaching permanent agreement with full confidence in His Majesty's Government in every respect..

We are certain that His Majesty's Government will after the conclusion of the Treaty, find us to be most friendly and sincere to them, and the ill intentions and evil objects of those who were the cause of mistrust will be proved; and there will be repentance for what happened, by the Grace of God.

In the circumstances explained we anxiously await Your Excellency's return to your high post from England in October next, in sound health, and bearing these demands. We shall be extremely grateful if you will hasten your coming to us to complete and sign the Treaty. By the mere (or immediately on) signing of the Treaty, the restrictions will be removed and the boundaries adjusted as desired by you, in a fit and proper way.

In conclusion we request you to accept our best compliments.

Dated 25th Safar 1933.
= 20th June, 1933.

Draft Treaty.

(*Submitted by the Imam.*)

Preamble.

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India on the one part, and

His Majesty the King of the Yemen, the Imam, on the other part.

Being desirous of entering into a treaty on a basis of friendship and co-operation for their mutual benefit.

Have resolved to conclude this Treaty and have appointed as their Plenipotentiaries:

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India.

For Great Britain and Northern Ireland:

His Majesty the King of the Yemen, the Imam:

Who having communicated their full powers, found in good and due form, have agreed as follows:—

Article I.

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India and His Government acknowledge the complete and absolute independence of His Majesty the King of the Yemen, the Imam and His Government in all affairs of whatsoever kind.

Article II.

There shall always be peace and friendship between the High Contracting parties, who undertake to maintain good relations with each other in every respect.

Article III.

The settlement of the question of the southern frontier is deferred pending the conclusion in whatever way may be agreed upon by both High Contracting Parties in a spirit of friendship and complete concord, free from any dispute or difference, of the negotiations which shall take place between them before the expiry of the period of the present Treaty.

Pending the conclusion of the negotiations referred to in the preceding paragraph, the High Contracting Parties agree to maintain the situation existing in regard to the frontier on the date of the signature of this Treaty, and both High Contracting Parties undertake that they will prevent by all means at their disposal any violation by their forces of the above-mentioned frontier, and any interference by their subjects or from their side of that frontier with the affairs of the people inhabiting the other side of the said frontier.

Article IV.

After the coming into force of the present Treaty, the High Contracting Parties shall by mutual agreement and concord enter into such agreements as shall be necessary for the regulation of commercial and economic affairs, based on general international principles.

Article V.

The subjects of each of the High Contracting Parties who wish to trade in the territories of the other, shall be amenable to the local laws and judgments and shall receive equal treatment to that enjoyed by the subjects of a most-favoured Power.

Similarly the vessels of each of the Contracting Parties and their cargoes shall in the ports of the other receive similar treatment to that enjoyed by the vessels and cargoes of a most-favoured Power.

Article VI.

This Treaty shall be the basis of all subsequent agreements that may be concluded between the High Contracting Parties now and in the future for the purposes of friendship and amity. The High Contracting Parties undertake not to assist nor to connive at any action directed against the friendship and concord now existing between them.

Article VII.

The present Treaty shall be ratified as soon as possible after signature and the instruments of ratification shall be exchanged at Sana'a. It shall come into force on the date of the exchange of ratifications and shall thereafter remain in force for a period of 40 years.

In witness whereof the respective Plenipotentiaries have signed the present Treaty and have affixed thereto their Seals.

Done at Sana'a in English and Arabic, and should doubt arise as to the interpretation of any of these articles, both parties shall rely upon the Arabic text.

Secret Appendix.

This is a Secret Article supplementary to the original Article III of the Treaty dated concluded between the Government of Great Britain and the Government of the Yemen.

As was declared in this Article III, the two High Contracting Governments undertake to enter into negotiations regarding the territories under discussion within the 40 years which is the period of this Treaty, in a most friendly and honourable spirit: they agree to solve and dispose of the case between them, and not to open a way or possibility for any dispute, difference, or hostility between them.

And whereas there are certain of the Islands of the Yemen which must undoubtedly revert to the Yemen, and which nevertheless have not hitherto been surrendered and restored to their source since the end of the Great War, His Majesty's Government engage to maintain and safeguard the said reversion and not to assist in the creation of any violation of the fundamental and natural rights (of the Yemen) in this respect.

17957/33 [No. 53].

No. 133.

THE ACTING RESIDENT to THE SECRETARY OF STATE

(Received 24th July, 1933.)

[*Answered by Nos.* 140 *and* 141.]

(Secret.)
(No. 163.)

SIR, The Residency, Aden, 12th July, 1933.

I HAVE the honour to refer to Lieutenant-Colonel Reilly's Secret despatch No. 83 of the 12th April, 1933,* on the subject of treaty negotiations with the Yemen.

2. The Imam has now replied to Colonel Reilly's communication to him of the 11th April, 1933, in a sense that indicates his rejection of the text that had been laid before him clearly as the final terms acceptable to His Majesty's Government. He has

* No. 131.

also refused to agree to the present removal of trade-restrictions on the frontier, that His Majesty's Government have insisted on as a condition of the continuance of negotiations; and I have recommended to you in a separate despatch* in that connexion that the negotiations should be broken off for that reason.

3. The suspension of these negotiations is likely to result in a deadlock, and I fear that the situation may continue to drift indefinitely in the sense suggested by Colonel Reilly in his demi-official letter to Mr. Cowell of the 15th February, 1933.†

4. The fact of such a suspension will certainly have a serious reaction on the attitude of the 'Audhali Sultan, in regard to whom there has lately been increasing justification for alarm lest his accumulated grievances against the Imam, for the harsh treatment that he and his tribesmen have received and continue to receive at Zeidi hands, may drive him to some aggressive and retaliatory act. For although it has been the consistent practice of the Residency during the past eight years, to exhort and advise the 'Audhali Sultan to hold his hands in patience, and to rely on the peaceful measures that His Majesty's Government have been adopting to effect the restoration of his territory and tribesmen, his forbearance, strained by years of unsatisfied complaint, has lately been brought to breaking point by the immoderate and oppressive acts of the Zeidi Amil of Al Beldha, in the 'Audhali region on Adh Dhahir that is occupied by the Imam.

5. The Sultan has hitherto loyally, if reluctantly, complied with our wishes, and has acted as correctly as could have been expected under very exasperating conditions; and the Political Secretary's task of attempting to satisfy his frequent invocations of his Treaty of Protection has not been free from embarrassment. In order that the justification for the Sultan's complaints may be more fully appreciated I enclose herewith a summary of the incidents upon which they are based.

6. It is not to be thought that I anticipate the launching of an organized attack by the 'Audhali Sultan on Zeidi forces on Adh Dhahir against our wishes and without our support: he fully realizes that he could not carry it to success. What I fear is that as the result of further hostile or slighting Zeidi acts, and of his final comprehension that the Treaty negotiations in which he has doubtfully relied to recover his rights have been suspended, he may either precipitate open hostilities on the border by incautious intrigues or by raids, or retire with all the loyal members of the ruling family, and leave his territory open to occupation by the Imam.

7. The danger of the latter alternative is accentuated by the presence on Adh Dhahir and in close relations with the Zeidi Amil of Al Beidha, of the family of the previous 'Audhali Sultan, who was murdered by the present incumbent in 1928. As a result of this murder a bitter feud exists between the two branches of the family. It is moreover important to consider that Zeidi occupation of the south-eastern 'Audhali territory below Adh Dhahir would give the Imam comparatively easy access to the sea, and would facilitate the isolation from Aden of the Hadhramaut, Beihan, the Wahidi, and the three 'Aulaqi regions (which supply the majority of and the best recruits for the Aden Protectorate Levies and the Aden Armed Police).

8. For the reasons outlined above the necessity for compelling Zeidi evacuation of occupied Protectorate territory has become increasingly apparent. As there is little prospect, either now or in the near future, of fulfilling our protective obligations to the 'Audhali Sultan by peaceful means, I have considered it desirable to examine in detail a scheme of operations for the expulsion of Zeidi forces from Adh Dhahir and for the restoration of 'Audhali hostages who are still in the Imam's hands. I enclose herewith an Appreciation by the Officer Commanding British Forces at Aden in this connexion, with which I concur, and a Note of the action contemplated to be taken by the political staff of the Residency in connexion with the scheme, and of the financial commitments that are likely to involve a charge on political funds.

9. I desire to draw special attention to two considerations that affect the situation. Firstly, as the Officer Commanding British Forces at Aden has rightly pointed out in paragraph 6 (i) of his Appreciation, and for the reasons suggested in paragraphs 6 and 7 of this despatch, it is likely that the longer the operations are deferred the greater will be the effort and expense necessary to carry them to a successful conclusion. Secondly the present preoccupation of the Imam in his attempt to subjugate Najran (in part or

* No. 132. † No. 126.

in whole) and the engagement of some 10,000 of his troops in that distant area (*vide* Political Intelligence Summary, paragraphs 2367, 2395, 2411, and 2425), and the imminent breakdown of treaty negotiations with the Imam by reason of his refusal to raise the trade embargo on the Protectorate frontier, would appear to indicate the desirability of undertaking these operations in the 'Audhali area at the earliest possible opportunity after the suspension of negotiations.

10. As I have suggested in my despatch No. 162 of the 12th July, 1933,* on the subject of the proposed Treaty with the Imam, the impending suspension of the present negotiations, in the manner that I have recommended, provides a good opportunity for His Majesty's Government to undertake these operations without appearing to press a treaty on the Imam by force of arms.

11. I am of the opinion that the matter is one of some urgency and I therefore request that it may receive your early attention.

I have, &c.,
R. S. CHAMPION,
Acting Resident, &c.

Enclosure 1 in No. 133.

SUMMARY OF EVENTS IN 'AUDHALI TERRITORY SINCE THE OCCUPATION BY THE IMAM OF ADH DHAHIR IN 1925, INDICATIVE OF IMAMIC INTERFERENCE IN 'AUDHALI AFFAIRS.

May, 1926.—The Shaikh of Al Beldha, on behalf of the Imam's representative, offered to give a monthly subsidy of $120/- to the then 'Audhali Sultan, Qasim bin Ahmed, and his nephew, Qasim bin 'Abdulla, on condition that the Sultan should hand over half the revenue acquired from crops in Al Kor, and allow 5 Zeidi officials to be present at the harvesting of the crops.

December, 1926.—The 'Audhali Sultan forwarded letters to the Residency Office, in which the 'Amil and the Shaikh of Al Beidha invited him to go to Al Beidha and submit to the Imam.

September, 1928.—The 'Audhali Sultan, who was pro-Imam, was assassinated by his cousin, Sultan Husein bin Ja'bil, who, with his brother Muhammad Ja'bil, was very hostile to Zeidi influence.

The son of the assassin, a boy of 8, named Salih, was elected Sultan, with his father and uncle as regents.

The son of the late Sultan, Ahmed, and the late Sultan's nephew, Qasim bin 'Abdulla, with his brothers, formed a rival party to the new Sultan and his father and uncle, and with their followers besieged localities in the close vicinity of the new Sultan's village of Az Zara.

***December*, 1928.**—The 'Audhali Sultan drove his rival relations from these localities, and they occupied Lodar, the market town, about 1 mile distant from Az Zara.

February, 1929.—The rival faction at Lodar were assisted by the 'Amil of Al Beidha with money, ammunition, and men against the 'Audhali Sultan.

September, 1929.—The 'Audhali Sultan attacked Lodar and occupied it. The rival faction betook themselves to 'Iryab on Adh Dhahir and came under the control of the Imam.

During the next year complaints were received from the 'Audhali Sultan that Sultan Qasim bin 'Abdulla was receiving money from the 'Amil of Al Beidha to stir up certain sections of Al Kor tribes to make trouble.

October, 1930.—Reports were received that the 'Amil of Al Beidha was interfering with the 'Useili section of the Ahl 'Audhilla and trying to collect taxes from them.

March, 1931.—Reports were received that Sultan Qasim bin 'Abdulla, instigated by the 'Amil of Al Beidha, was interfering with Ahl Bura'a, an 'Audhali sub-section

* No. 132.

on the western border of Al Kor, and had plundered livestock. A letter of protest from the Residency brought no satisfaction; and the 'Amil of Al Beidha claimed Ahl Bura'a as being part of Ahl Barkan under his control, and on his part, complained against the 'Audhali Sultan for interfering with 'Audhali tribesmen who were under the control of the Imam. The Residency expressed the intention not to interfere between the 'Audhali Sultan and his own subjects and made it clear that His Majesty's Government did not recognize the right of the Imam to occupy 'Audhali territory.

July, 1932.—The 'Amil of Al Beidha, under orders from the Imam, closed the route through 'Audhali territory to trade from Al Beidha to Aden. At the same time, the 'Amil, on his own initiative, entered into a trade agreement with the Lower Yafa'i Sultan, who is in treaty relations with His Majesty's Government, for the safe conveyance of trade through Yafa'i territory.

October, 1932.—Under pressure from the Residency, the Lower Yafa'i Sultan cancelled the above agreement, and this fact, coupled with the prevention of caravans for Al Beidha from leaving Aden, compelled the 'Amil to reopen the 'Audhali route.

March, 1933.—Renewed complaints by the 'Audhali Sultan of raids by Imamic tribesmen on eastern sub-sections of the 'Audhali tribe.

April, 1933.—Reports from the 'Audhali Sultan of increased oppression on 'Audhali tribesmen under Imamic control, by the 'Amil of Al Beidha.

May, 1933.—The Amil of Al Beidha sent a letter to the Shaikh of the Ahl Daman, of Al Kor, under 'Audhali control, to pay a visit to him to Al Beidha to discuss the matter of certain Imamic refugees who were living with him. The Damani Shaikh agreed, and on arrival at Al Beidha was offered a monthly subsidy if he would submit to the Imam. The Shaikh refused and returned home.

The 'Amil of Al Beidha arrested 10 'Audhali Shaikhs from Adh Dhahir 'Audhali sections, and imprisoned them in chains.

July, 1933.—A small party of tribesmen from Adh Dhahir, actuated by a local family feud, but instigated and assisted by Zeidi officials descended on to Al Kor from Adh Dhahir and attacked two villages.

General.—The continued alienation of the most fertile part of the 'Audhali Sultan's territories under oppressive Zeidi control, notwithstanding the protective clause in the Treaty between the 'Audhali Sultan and His Majesty's Government.

The continued retention of a number of 'Audhalis as hostages by the Imam.

Enclosure 2 in No. 133.

(Secret.)

AN APPRECIATION OF THE MILITARY MEASURES REQUIRED TO RESTORE TO THE "AUDHALI" TRIBE THE PORTION OF THEIR TERRITORY ON ADH DHAHIR PLATEAU AT PRESENT IN "ZEIDI" OCCUPATION, DATED 24TH JUNE, 1933, BY GROUP-CAPTAIN O. T. BOYD, O.B.E., M.C., A.F.C., OFFICER COMMANDING, BRITISH FORCES AT ADEN, FOR THE CHIEF COMMISSIONER AND COMMANDER-IN-CHIEF, ADEN.

Review of the Situation.

1. In 1925, in furtherance of a policy of encroachment on the Aden Protectorate which had been pursued almost continuously by the Imam of the Yemen since the end of the War of 1914-18, Zeidi forces occupied tribal territory belonging to the 'Audhali both in Adh Dhahir on the top of Al Kor, and in Al Hadhn below. They were, however, driven back by tribal action, with the assistance of three Bristol Fighter aircraft of the Aden Flight based on Shuqra. Air operations were confined to the bombing of Zeidi troops in Adh Dhahir and the Zeidi headquarters in Al Hadhn in the villages of Az Zara and Lodar, and ceased as soon as both areas had been cleared of the invaders. Within two days of the withdrawal of the air support, the Zeidi forces successfully reoccupied Adh Dhahir, and the 'Audhali tribesmen retired to Al Hadhn at the foot of Al Kor owing, so they alleged at the time, to a lack of ammunition and supplies. The Zeidi reoccupation stopped short at the crest of Al Kor, leaving Al Hadhn in the hands of the 'Audhali Sultan.

2. The indecisive result of these operations appears to have been due to the following causes:—

(i) Aircraft had only short range and small bomb carrying capacity.
(ii) Insufficient aircraft were available.
(iii) Lack of advanced landing grounds—Shuqra only being available.

(iv) Lack of tribal co-operation. No British Officer was sent to control and co-ordinate the operations of the tribesmen, nor was wireless telegraphy or any other adequate method of communication between the 'Audhalis and Aden available.

(v) The aircraft did not strike far enough back, with the result that the Imam, who was too remote to feel the effects of the bombing, was in no way deterred from ordering the reoccupation of 'Audhali territory at the first opportunity.

3. Since 1925 the Zeidis have remained in occupation of Adh Dhahir Plateau, their forces being based on Al Beidha, the chief town of a district with which, although within the *de jure* boundary of the Aden Protectorate, we have never made a treaty. The 'Audhali tribesmen of the occupied area, who are at heart loyal to the 'Audhali Sultan (with the notable exception of the near relations of his predecessor, and their small following), have been disarmed and are subjected to the severest oppression and maltreatment by the Zeidi authorities in Al Beidha in the endeavour to force them to recognize the permanent authority of the Imam. The Zeidis also hope by such means to force the 'Audhali Sultan, who now resides in Az Zara at the foot of Al Kor, to break his treaty with His Majesty's Government and to transfer his allegiance to the Imam.

4. The strain is already telling on the tribesmen of Adh Dhahir, and both they and the 'Audhali Sultan realize that they are dependent on British assistance if the occupied territory is to be freed from the Zeidi yoke. The Sultan is, however, disappointed and disheartened by the fact that such assistance has not yet been forthcoming.

The Aim to be Attained.

5. To compel the Imam of the Yemen to withdraw all Zeidi forces from 'Audhali territory on Adh Dhahir Plateau.

Factors affecting the Attainment of the Aim.

6. *Time and Space.*—

(i) The situation is rapidly approaching a point where fresh developments are almost inevitable, and unless we are prepared to assist the 'Audhali such developments may eventually have very adverse effects on the rest of the Aden Protectorate, and may necessitate a greater military effort than is now required.

(ii) Weather conditions in the spring normally bring about the formation of heavy cloud masses over Adh Dhahir plateau and the edge of Al Kor, which would seriously impede both air and ground operations. During the summer and autumn meteorological conditions are generally favourable.

(iii) Adh Dhahir Plateau is situated approximately 100 miles from Aden and 5 miles from Lodar—the capital of the 'Audhali Sultan.

(iv) Rada', a Zeidi garrison town through which the lines of communication between Al Beidha and Sana'a pass, is 120 miles from Aden, and is therefore within easy flying range.

(v) Advanced landing grounds exist in numerous parts of the Aden Protectorate, which bring all possible air objectives both in the occupied area and in Zeidi territory within effective bombing range.

7. *Relative Strengths.*—

(i) *Zeidi Forces.*—The latest intelligence reports estimate the strength of the Zeidi forces in Al Beidha district including Adh Dhahir, as about 1,500. In the event of protracted operations, or for the purpose of launching a counter attack, these could be strongly reinforced by troops from the Yemen after some delay. They include about 400 regulars, but the remainder are comparatively well armed and amenable to control.

(ii) *'Audhali Forces.*—The estimated number of 'Audhali fighting men available in Al Hadhn district for offensive operations against the Zeidis on the top of Al Kor is 2,700. The majority of these are in possession of arms, but an issue of rifles and ammunition would be required to increase the proportion and to replace unserviceable arms and arms for which ammunition is not available (Martini-Henry) 650 rifles for this purpose are at present held by the Aden Residency.

(iii) *Possible 'Audhali Allies.*—The 'Audhali are on peaceable terms with their neighbouring tribes, who would almost certainly come to their assistance

in an attempt to recapture Adh Dhahir plateau. These tribes could probably muster a total of approximately 2,000 fighting men, but would also have to be assisted with the grant of rifles and ammunition. In the event of a serious initial reverse this support would probably melt away.

(iv) All the forces mentioned under (ii) and (iii) above fight as tribesmen, are entirely unorganized and would never submit to the central control of any one of their own tribal leaders. Only a British officer would be likely to succeed in effecting any measure of concerted action and co-operation.

(v) *British Forces at Aden.*—

(*a*) One Day Bomber Squadron is available for air operations.

(*b*) No ground forces can be spared from the Aden Garrison, with the exception of one or two British officers to undertake the organization of the tribal forces. Approximately 70 men previously discharged from the 1st Yemen Infantry or discharged or on leave from the Aden Protectorate Levies and Aden Armed and Unarmed Police could, however, be collected in the tribal area concerned, and would form a nucleus of organized and disciplined troops under a British officer. The Residency Office could supply two Maxim guns for use by this small force. The presence of automatic weapons with the attackers would have a considerable moral effect on the Zeidis, and also enhance the morale of the 'Audhali tribesmen themselves.

8. *Topography.*—

(i) *Approaches to Adh Dhahir Plateau.*—The only method of approach to Adh Dhahir Plateau from the south is up the face of the steep escarpment known as Al Kor, which rises to an average height of 3,500 feet above the plain about Lodar. There are four regular "passes" which are used by caravan traffic, and a number of rough and difficult tracks. A determined resistance, combined with sound tactical dispositions and a firm control of the defence, would render the capture of the crest a formidable task. This, however, is not likely to be experienced to a very high degree. The broken and rocky nature of the hillside favours the normal tribal method of attack, and, given a measure of surprise, an attack should stand a reasonable chance of success. It would, however, be difficult to retain the crest in the face of a strong counter-attack.

There are no permanent defences on the crest with the exception of a small fort at Husnal Alam, and the fact that the defenders would not operate as formed bodies of troops but be scattered among the rocks and boulders would result in there being few effective targets for close co-operation aircraft during the attack.

(ii) *Adh Dhahir Plateau.*—The occupied territory on the plateau comprises an area of approximately 25 miles by 6 miles. It contains numerous small villages and groups of dwellings, but few towns or buildings of any size. The country is rocky and broken, and well suited to guerilla tactics. There are no effective targets for air attack, and it would be almost impossible to distinguish between friend and foe from the air during a period of fighting on the ground. The consolidation of the area, once captured, in the face of renewed Zeidi attacks would require careful organization and an adequate tribal garrison. Except for the moral effect of their appearance, aircraft could afford little direct assistance in holding the ground gained.

9. *Communications.*—A Royal Air Force Pack Wireless Telegraphy set is already installed at Lodar, and would provide adequate communication between Aden and any officer sent up to organize the tribal forces for the attack.

10. *Attitude of the Imam of the Yemen.*—In the course of the negotiations for a treaty with His Majesty's Government which have been proceeding for some time, but which show no signs of immediate conclusion, the Imam stated that he would be prepared to evacuate the 'Audhali territory in Adh Dhahir as a necessary preliminary to signature if agreement on other matters could be reached. This indicates that he has no strong reasons or desire for holding on to this area at all costs, and that if force is brought to bear on him he will probably withdraw his forces, but a definite breakdown of the negotiations may harden his attitude in this respect. The Imam is known to fear the effects of air action, and to have a vivid recollection of the results

of previous air operations against him. The immediate withdrawal of his forces from the Al 'Ain area in 1931 consequent on the threat of bombing directed against objectives in Zeidi territory tends to confirm this view.

Courses of Action open to the Imam.

11. On receipt of an ultimatum from His Majesty's Government there are three courses which might be adopted by the Imam :—

(i) He might accept the ultimatum, and withdraw his forces from Adh Dhahir Plateau.

(ii) He might accept the ultimatum. but profess to be unable to impose his will on his local commanders in the occupied area.

In either case he will tend to vacillate and procrastinate and will trv at all costs to save his face.

(iii) He might refuse to comply with the ultimatum.

In the event of (i) above, the aim will have been achieved and the only military measures required will be the occupation and consolidation of the evacuated area by the 'Audhali. In the event of (ii) or (iii) offensive action will be required.

Courses of Action open to Ourselves.

12. If offensive action is found to be necessary, there are two possible courses open to us :—

(i) To organize a tribal attack, controlled by British officers, on the Zeidi garrison of Adh Dhahir Plateau, supported by close air co-operation over Al Kor and by the bombing of Al Beidha.

(ii) To bring pressure to bear on the Imam himself by the concentrated bombing (after the usual warning notices have been dropped), of important military centres in Zeidi territory. At the same time holding the tribal forces in readiness to reoccupy Adh Dhahir Plateau as soon as any withdrawal begins.

13 Although bombing is regarded with suspicion by delegates to Geneva, it is considered that a tribal attack entirely unsupported by air action is doomed to failure and should not be attempted. Any such failure would be at once attributed by the 'Audhali to lack of support by His Majesty's Government, which would have far-reaching and adverse results throughout the Aden Protectorate, and would encourage the Imam to attempt further encroachments.

14. While the moral effect of co-operation by aircraft would enhance the chances of success in the course of action described in paragraph 12 (i) above, the scarcity of suitable air objectives, and the comparative ineffectiveness of bombing small and scattered targets, would render such co-operation of little practical value and involve a waste of air effort. Moreover, the presence of large numbers of 'Audhali tribesmen throughout the whole of Adh Dhahir area, and the impossibility of protecting either their lives or their property from the effects of air attacks on the Zeidis in the area, make such attacks inadvisable. A further consideration is that this course confines air action to attacks on the local Zeidi forces in the occupied area. In such circumstances the Imam might well remain indifferent to their immediate fate, and merely await an opportunity to reoccupy the area as soon as the vigour of the tribal advance had been spent and the majority of the attackers had returned to their homes at the foot of Al Kor. This possibility would greatly increase the difficulty of holding the ground gained.

Selection of the Best Course

15 The course of action described in paragraph 12 (ii), viz., to carry out intensive bombing of important military centres in Zeidi territory, while organizing the tribal forces for an advance as soon as the bombing has had effect, is therefore selected and recommended as the one most likely to achieve the desired end. This operation would bring pressure to bear on the Imam himself and would be likely to induce him to order the withdrawal of his forces from Adh Dhahir, thus enabling the reoccupation of the area to be carried out without serious fighting and with the minimum loss of life on both sides.

16. Several objectives for bombing exist, but the town of Rada' provides the most suitable target for the initial attacks for the following reasons :—

(i) It is the advanced base on the lines of communication for the Zeidi forces in the Al Beidha and Adh Dhahir Area.

(ii) It is the nearest point in Zeidi territory to Al Beidha which is in telegraphic communication with Sana'a.

(iii) It contains large military barracks situated in the centre of the town.

(iv) It is an important trade centre, with routes leading to Mocha and Aden.

(v) It is within effective air range of Aden and attacks on it would impress the Imam with the possibilities of bombing Sana'a itself.

(vi) It contains no Europeans.

Plan of Action.

17. *Ground Organization.*—When the date for the proposed operations is decided on, and the ultimatum to the Imam prepared for despatch, the following action will be taken :—

(*a*) The Air Staff Intelligence Officer from Headquarters, British Forces, will proceed to Lodar by air, accompanied by the Political Officer who will rally and organize the tribal forces. The Air Staff Intelligence Officer will keep Headquarters informed by wireless telegraphy of the situation and will take charge of all ground operations.

(*b*) All 'Audhali or allied tribesmen previously discharged on completion of service from the 1st Yemen Infantry, the Aden Protectorate Levies and the Aden Armed and Unarmed Police and those still serving but on leave to their homes and who volunteer for such service, will be instructed to report at Lodar for service under a British officer

(*c*) An officer of the Aden Protectorate Levies who will be invited to volunteer, will proceed to Lodar by road, taking with him two Maxim guns supplied by the Aden Residency, and all 'Audhali tribesmen who are serving in the levies who can be spared and volunteer for this service. On arrival at Lodar he will take command of the personnel mentioned at (*b*) above, and will assist the Air Staff Intelligence Officer in planning the leadership and tactical employment of the tribal forces generally with the advice of the Political Officer.

(*d*) The Aden Residency will despatch such quantities of rifles and ammunition as are available and can be spared and native rations of the customary nature to Lodar for distribution among the tribes under the supervision of the Air Staff Intelligence Officer with the advice of the Political Officer

(*e*) No. 8 (B) Squadron will arrange to equip Museimir Landing Ground with supplies of fuel and bombs and ammunition, for use as an advanced landing ground for operations against Rada'

18. *Operations.*—

(i) If the Imam fails to comply with the ultimatum, operations will begin with the intensive bombing of Rada' followed, if necessary, by the bombing of Dhamar, which is the headquarters for the administrative and military control of Al Beidha and Adh Dhahir Area. The customary notices will of course be dropped before bombing begins.

(ii) The decision as to the appropriate time for beginning the tribal advance on Adh Dhahir Plateau must be left until the situation develops, and the effects of the bombing become apparent. When this decision has been taken, aircraft will be diverted temporarily from the main objective directly to support the advance

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Enclosure 3 in No. 133

PROPOSED 'AUDHALI OPERATIONS, 1933.

Note of Political Action

1. The decision having been taken to effect, by armed intervention, the Imam's evacuation of 'Audhali territory on Adh Dhahir, and the restoration of 'Audhali hostages from the Imam's hands, an ultimatum will be prepared for despatch to the Imam in the form attached hereto.

2. The ultimatum will be despatched to Sana'a by the quickest land route (approximately 5 days).

3. The Political Officer will proceed to Lodar by air with the Air Staff Intelligence Officer to rally and organize the tribal forces and to advise the Officer in charge of ground operations on political and cognate matters (cf , the Appreciation paragraph 17).

4. The necessary quantity of rifles, ammunition, and customary rations for supply to 'Audhali and allied tribesmen will be sent by the Residency Office to Lodar by the quickest land route. The arms, ammunition, and rations will be kept under guard by the 'Audhali Sultan and will be issued as and when necessary under the orders of the Political Officer, who will arrange with the Sultan to have a supply of baggage camels always available.

5. The Political Officer will arrange in co-operation with the Air Staff Intelligence Officer to obtain information of all movements and reinforcements of troops on Adh Dhahir, of any increased oppression against 'Audhali subjects, of the attitude of the latter towards the operations, and the action that they (and the Rasasi (Beidha) tribes) are likely to take.

6. He will make a special point of obtaining immediate information of compliance with the ultimatum on the part of the Imam, indicated by the withdrawal of all Imamic troops from the 'Audhali portion of Adh Dhahir and the release from Al Beidha of 'Audhali hostages, and also immediate notice of any " atrocity " committed by Imamic troops or subjects in the process of withdrawal, such as, destruction of dwelling places, fields, the taking of hostages or prisoners, &c.

He will also obtain information of the situation on Adh Dhahir as soon as possible after the expiration of the ultimatum period.

All information thus obtained will be transmitted to the Residency Office by wireless telegraphy.

7. During the advance to reoccupy Adh Dhahir and to consolidate after occupation, the Political Officer will be at hand to give political advice and assistance to the Officer in charge of ground operations with respect to tribal co-operation, and other tribal matters.

8. After Adh Dhahir has been reoccupied, the Political Officer will get into touch with the rival faction of the 'Audhali ruling family, the relations of the late Sultan, if they have not fled into Yemen territory, and try to bring about a reconciliation between them and the 'Audhali Sultan.

He will also get into touch with the head Shaikhs of the 'Audhali sections who will have been released from Imamic control and discover their attitude towards the 'Audhali Sultan.

9. After the said reoccupation and consolidation, the Residency Office will assist the 'Audhali Sultan to establish his position as ruler in such ways as may seem advisable

Estimate of Financial Commitments.

		Rs.
1.	Rations for tribal forces	4,000
2.	Transport for Machine Gun detachments	200
3.	,, ,, tribal rations	3,000
4.	,, ,, tribal arms and ammunition	650
5.	Medicines, &c., ...	300
6.	Presents	10,000
7.	Entertainment	5,000
8.	Contingencies at 10 per cent.	2,315
	Total ...	Rs.25,465

Say £2,000.

The above is a liberal estimate, and is based on the probable maximum time, and tribal strength necessary for the success of the operations under adverse conditions. Speedy success with fewer tribal forces will proportionately reduce the cost of the undertaking.

It is observed that the " Dhala' Operations " of 1928 involved expenditure of approximately half a lakh of rupees.

Draft Ultimatum.

YOUR HIGHNESS,

I AM directed by His Majesty's Government to state that whereas Your Highness in and before the year 1925 usurped and occupied by force of arms, and still occupies the territories of the 'Audhali Sultan on Adh Dhahir:

And whereas Your Highness at the said time or subsequently has taken and continues to hold subjects of the 'Audhali Sultan as hostages and prisoners to the number of 31, as described in the list attached hereto:

And whereas Your Highness's retention of the said territories and hostages, and the oppression which 'Audhali subjects have thereby been forced to bear have caused increasing unrest on the frontier:

And whereas the whole of the territories of the 'Audhali Sultan and all their dependencies are under British protection by virtue of an existing treaty with His Majesty's Government.

His Majesty's Government require:—

(i) The complete withdrawal of Your Highness's forces from, and the complete relinquishment of Your Highness's administrative control over all the 'Audhali villages and lands on Adh Dhahir.

(ii) The release of all 'Audhali hostages and prisoners from durance in Your Highness's territories.

(iii) The absolute prevention of every kind of damage or detriment to any 'Audhali subjects, or buildings, lands, crops, or other properties, before, during or after the said withdrawal, relinquishment, and release.

(iv) The complete execution of the said withdrawal and relinquishment and the release of the said hostages and prisoners within two weeks from the date of this notification, *i.e.*, by noon on the (Arabic date).

His Majesty's Government direct me to inform Your Highness that if the four demands set out above are not fully complied with within the time allotted, the towns of Rada', and Dhamar and any other places in the Yemen which it may be deemed necessary to attack, will be bombed from the air.

Lastly, His Majesty's Government direct me to assure Your Highness that in making these demands and giving these warnings they have no motive of hostility to Your Highness or to the interest of the Yemen, nor have they any desire to interfere in Your Highness's government of your proper territories. But they are determined that the territories and subjects of the Chiefs with whom they are in treaty relations shall be inviolate and that the restoration of 'Audhali territories, hostages and prisoners from Your Highness's hands shall be no longer postponed.

I have the honour to convey to Your Highness the expression of my sincere regard, and the earnest hope that by compliance with the demands of His Majesty's Government, Your Highness will prevent the damage and destruction in the Yemen that your rejection of them will render immediately inevitable.

Acting Resident, &c.

To His Highness Imam Yahya bin Muhammad bin Hamid-Ud-Din,
Sana'a.

17957/33 [No. 54].

No. 134.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 24th July, 1933.)

(Secret.)
(No. 164.)

SIR, The Residency, Aden, 12th July, 1933.

IN connexion with my despatch No. 162 of the 12th July, 1933,* on the subject of treaty relations with the Imam, I have the honour to enclose herewith the translation of a letter dated 20th June, 1933, that I have received from the Imam in regard to the proposed eventual appointment of British Consular or Political Officers to Sana'a.

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* No. 132.

2. The reluctance of the Imam to receive permanent official foreign representatives in the Yemen has lately been illustrated by his refusal to comply with Italian requests in that respect; and I attach no particular significance to his present unsolicited excuses.

I have, &c.,
R. S. CHAMPION,
Acting Resident, &c.

Enclosure in No 134.

IN THE NAME OF GOD THE MERCIFUL AND COMPASSIONATE

SEAL OF THE IMAM.

To Lieutenant-Colonel B. R. Reilly,
Resident, Aden.

After Compliments.

WE beg to inform Your Excellency that it was declared in the previous draft Treaty which was to have been concluded and which was then urged and submitted by us, that a separate agreement should be concluded at a convenient time for the appointment of Consular officials by both parties in accordance with established custom. It was also declared that there should be a special article providing for a future accord between the two Governments regarding Political Officers. Actually, the appointment and exchange of Political Officers will be arranged after official relations have been established by the conclusion of the Treaty between the two Governments. The exchange of such Political officers at that time would be a matter of course. We have agreed that there was no necessity for an additional clause in that respect, and found that your communication was in fact agreeable and conformable with the very matter. But our Government, as Your Excellency is already aware, is continuing to make its utmost endeavours to complete its internal organizations one after the other, as opportunity offers. It is not possible, therefore, for our Government at present to provide all the material requirements necessary for the proper entertainment of Political Officers and for their accommodation. We have for this reason been compelled to postpone the exchange of Political officers with certain of the Powers with whom we have already concluded treaties, until some more favourable time. After the signing of the blessed Treaty with His Majesty's Government now, by the Grace of God, if we were to accept Political officers appointed by His Majesty's Government, the other Powers who are in treaty relations with us would naturally ask for the acceptance of their Political officers also. In these circumstances we consider it reasonable to postpone the exhange of Diplomatic and Political officers to some more favourable time, on account of the impossibility of providing for such officers, having regard to the reasons explained above. We deem it necessary to delay their coming to some convenient time, but we do not, however, conceive the existence of an objection, should His Majesty's Government find it necessary to appoint and depute a temporary delegate to us at any time to discuss any affairs or business with us: we similarly on our part in the case of emergency. In view of all this, our Government, after the signing of the Treaty by the Grace of God, will within a short time do their best to complete the organization of the Department of Internal Affairs; and thereafter we shall be ready to receive Diplomatic and Political Officers. This matter needs no further explanation and paving of the way.

In conclusion we beg to tender our best respects.

Dated 25th Safar 1353.

*= 20th June, 1933

17957/33 [No. 68].

No. 135.

(Secret.)

COMMITTEE OF IMPERIAL DEFENCE.

STANDING OFFICIAL SUB-COMMITTEE FOR QUESTIONS CONCERNING THE MIDDLE EAST.

MINUTES OF THE TWENTY-SIXTH MEETING OF THE SUB-COMMITTEE HELD AT No. 2, WHITEHALL GARDENS, S.W.1, ON TUESDAY, 15TH AUGUST, 1933, AT 11.30 A.M.

Present:—

MR. A C. C. PARKINSON, C.M.G., O.B.E., Assistant Under-Secretary of State, Colonial Office (in the Chair).
GROUP-CAPTAIN A. T. HARRIS, O.B.E., A.F.C., Deputy Director of Operations and Intelligence, Air Ministry.
MR. R. A. GRIEVE, O.B.E., Assistant Secretary, Treasury.
MR. J. G. LAITHWAITE, Principal, India Office.

The following were also present:—

LIEUT.-COLONEL B. R. REILLY, C.I.E., O.B.E., Resident at Aden.
CAPTAIN E. L. S. KING, M.V.O., R.N., Deputy Director of Plans Division, Admiralty.
COLONEL H. L. ISMAY, C.B., D.S.O., General Staff, War Office.
LIEUT.-COLONEL G. B. HENDERSON, General Staff, War Office.
MR. E. A. SEAL, Principal, Admiralty.
MR. C. F. A. WARNER, First Secretary, Foreign Office.
GROUP-CAPTAIN C. F. A. PORTAL, D.S.O., M.C., Directorate of Operations and Intelligence, Air Ministry.
MR. H. R. COWELL, C.M.G., Assistant Secretary, Colonial Office.
MR. K. R. JOHNSTONE, Second Secretary, Foreign Office.
MR. S. I. JAMES, Assistant Principal, Colonial Office.
LIEUT.-COLONEL N. G. HIND, M.C., Secretary to the Sub-Committee.

THE SUB-COMMITTEE had before them the following papers dealing with the subject of relations with the Imam of the Yemen:—

Copy of a despatch, dated 12th July, 1933,* from the Acting Resident at Aden to the Secretary of State for the Colonies enclosing a reply from the Imam of the Yemen regarding the projected Treaty. (Paper No. M.E. (O) 98.)

Copy of a despatch, dated 12th July, 1933,† from the Acting Resident at Aden on the subject of the continued occupation of Audhali territory within our boundaries of the Aden Protectorate by the Imam of the Yemen, together with an appreciation by the Air Officer Commanding British Forces at Aden indicating a plan of action to ensure the withdrawal from this area of Yemen forces. (Paper No. M.E. (O) 99.)

Copy of a despatch, dated 12th July, 1933,‡ from the Acting Resident at Aden, forwarding a copy of a letter from the Imam regarding the appointment of British representatives at Sana'a. (Paper No. M.E. (O) 100.)

Paraphrase copy of a telegram from the Resident at Aden, dated 14th August, 1933,§ reporting an incursion by Yemen forces into the south-west portion of the Aden Protectorate, and asking for authority to bomb objectives in the Imam's territory in order to secure evacuation. (Paper No. M.E.(O) 101.)

THE CHAIRMAN stated that the meeting had originally been convened to consider two questions arising out of the Acting Resident's despatches of the 12th July, viz.:—

(*a*) whether Treaty negotiations with the Imam were to be pursued; and
(*b*) the measures to be taken to secure the evacuation by the Imam's forces of Audhali and other territory, in the event of negotiations being broken off.

A telegram (Paper No. M.E. (O) 101) had however, just been received reporting a further inroad, this time in another portion of the Aden Protectorate, and this would need urgent consideration

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* No. 132. † No. 133. ‡ No. 134. § No. 171.

Incursion into Subeihi Territory.

MR. COWELL said that this area, inhabited by the Subeihi tribe, lay in the south-western portion of the Protectorate, where the boundary with the Yemen had never actually been defined. A despatch, dated 2nd August, 1933,* had just been received referring to this question and suggesting that the delimitation of the boundary should be undertaken as soon as possible after the settlement of the Audhali question. This despatch was, however, superseded by the telegram just received.

COLONEL REILLY said that while a definite boundary in this area was shown on the map it had never been recognized by the Imam. The Subeihi were a troublesome tribe, with whom the Resident had never been in close touch. Annual incursions by Zeidis into this region had taken place, with the object of collecting taxes, which had actually been paid to the Imam. Should any modification of the boundary be discussed it was in this area that we could afford to make some concession, so long as we retained the coast line. He thought that this incursion was similar to the incident at Al Ain in 1931, when an ultimatum sent to the Imam resulted in withdrawal. This question was bound up with the major question of breaking off negotiations and the evacuation of Audhali territory

Treaty Negotiations.

At the Chairman's suggestion the despatch (Paper No. M.E. (O) 98) concerning the Treaty was first considered.

THE CHAIRMAN said that it was obviously impossible to accept the secret annexe regarding the islands in the Red Sea, which had been proposed by the Imam. He also noted that the Imam had evaded specifying that the words "southern frontier" referred to the Yemen. The other amendments, however, made by the Imam did not seem to be material.

MR. WARNER said that on these two points at any rate the Imam's proposals were of real importance. He considered them entirely unacceptable. He pointed out that they were the latest of a long series of attempts to persuade His Majesty's Government to give way on the same two matters. He was not prepared to express an opinion as to the importance of the other alterations proposed by the Imam without further examination in the Foreign Office.

MR. LAITHWAITE said that he agreed with Mr. Warner. The India Office were not so closely concerned in this matter as the Foreign Office and the Colonial Office, and he had no doubt that the Secretary of State for India would be prepared to accept any proposals which recommended themselves to the departments more closely concerned. At the same time, while obviously the Resident's view on the question must carry very great weight, it was only fair to point out in the first place that we had definitely intimated to the Imam that the communication and the draft Treaty already sent to him represented our last word; that if he was not prepared to negotiate on the basis then suggested to him negotiations must be broken off. It had also been quite definitely accepted in the previous discussions in the Middle East Committee that, while on general grounds a treaty settlement with the Imam was desirable, we had probably on the whole less to gain by it than the Imam; in other words that we could afford to wait and need be in no special hurry to press for a conclusion. We had long experience in negotiation with the Imam. He had never yet met any point of importance to us; but as the result of detailed correspondence he continued to extract small concessions from us. Even now, while he had purported to have accepted our draft Treaty as it stood, he was asking, as Mr. Champion pointed out, for certain concessions of major importance, and was pressing us to agree in a secret annexe to a formula which would be definitely compromising from our point of view as regards the islands. Moreover, it was open to question whether we should not, by sending up an envoy to Sana'a, after the categorical statement previously made by us, and in face of failure by the Imam to accept our demands, lose a good deal of face. He did not wish to press these points, which were not primarily India Office points, but they were clearly material to any decision the Committee might take.

COLONEL REILLY feared that a situation might arise in which, the negotiations having been broken off, His Majesty's Government might nevertheless refuse to authorize the issue of an ultimatum, to be followed, if necessary, by coercive action.

* No. 205.

We should then be faced with a deadlock in which the present unsatisfactory situation would continue to deteriorate without the prospect of a solution either by negotiations or by force. This impasse might continue for several years, and would be very damaging to us politically. Rather than risk such a possibility he would prefer to continue negotiations in spite of the Imam's obstinacy. Such an alternative was not, in his view, quite a hopeless one. With one exception the Imam's modifications of our "final" terms did not appear to him to be necessarily or wholly unacceptable. The exception was the secret annexe, which was quite out of the question. Apart from this, the Imam's draft Treaty did not strike him as being a bad document. It was true that he rejected all words implying a recognition of the Protectorate, but if he removes the trade restrictions and adjusts the boundaries as desired by His Majesty's Government, as he promised to do at the end of his letter, we shall have gained substantial advantages and an acknowledgment of the Protectorate in fact though not in name. On a strict construction of the letter sent to the Imam on the 11th April,* it was not, he considered, essential that the trade restrictions should be raised before our envoy, if despatched, proceeded to Sana'a, but they must be raised before the Treaty was actually concluded.

He thought that if the Acting Resident's recommendations for the breaking off of a treaty, to be followed by an ultimatum, were accepted in their entirety—well and good; and he was in favour of going forward on these lines. But if there was to be any doubt or delay about the ultimatum and the recourse to force, he was inclined to close with the Imam's draft, minus the secret annexe and subject to the removal of trade restrictions and the restoration of Protectorate territory and prisoners.

Should this alternative be approved of, he thought that the best course would be for a British envoy to go to Sana'a to attempt to conclude a treaty on this basis. If the Imam proved refractory about the secret annexe or failed to remove the trade restrictions and to restore the territory and prisoners, or if he raises fresh obstacles, the envoy should be empowered to break off negotiations, and at the same time to inform the Imam of the probable consequences, namely, that His Majesty's Government were not prepared to allow him to remain indefinitely in occupation of what they regard as Protectorate territory and that, failing a peaceful withdrawal on his part, they would find it necessary to eject him by force. Unless the envoy was armed with this authority he thought further negotiations would be of no value.

He hoped that a definite decision would be given on the above alternatives and that in any case negotiations would not be broken off without an assurance that forcible action would be taken to recover the areas now held by the Imam's forces.

MR. WARNER observed that the Resident's letter to the Imam of the 11th April was to have been His Majesty's Government's last word. It had been sent in accordance with a definite decision that if the Imam did not accept it *in toto* negotiations were to cease. The Imam had nevertheless proposed certain material alterations in the text of the Treaty. He had also refused to raise the trade embargo, a step which His Majesty's Government had insisted should precede any continuance of the negotiations. If the Sub-Committee now recommended that in spite of his attitude His Majesty's Government should continue negotiations and even send an envoy to Sana'a, they should realise clearly that they were recommending a complete reversal of the previous decision. They should also consider whether such a step could not be considered a sign of weakness by the Imam, indeed "a climb-down," whether it would not merely encourage him to think His Majesty's Government were very anxious to make a treaty and would go on giving way indefinitely. He did not think that the Foreign Office would wish to oppose such a recommendation, if it was advocated by the Sub-Committee, in the light of the Resident's views and of somewhat changed circumstances; but it was important that there should be no misunderstanding as to the complete reversal of policy which would be involved and the possible consequences

MR. LAITHWAITE expressed his agreement with Mr. Warner's views. Was it contemplated that we should secure a specific withdrawal of the proposal for a secret annexe as a condition of any visit by the Resident?

COLONEL REILLY proposed that the Acting Resident at Aden should inform the Imam in a letter that on no account could the secret annexe be considered, and also refer to the fact that he had agreed to comply with the contents of the admonitory document, *i.e.*, our demands, but that His Majesty's Government expected this to be done before the Treaty was signed.

* Enclosure in No. 131.

MR. GRIEVE said that he was in favour of the second alternative proposed by Colonel Reilly, *i.e.*, the continuation of negotiations by the despatch of an envoy to Sana'a. He did not think that any loss of face would result from accepting the wording now proposed by the Imam, which gave us materially all we asked for. Should negotiations be broken off, and not followed up by any coercive measures, there would be no finality, and merely a more frequent recurrence of inroads. He asked to what extent the Imam had control over his subordinate governors, who were, possibly, the originators of these raids.

COLONEL REILLY said that from experience he had found that the Imam had effective control over his local officers, who acted on his instructions certainly as regards all major matters.

GROUP-CAPTAIN HARRIS thought that the plan of action proposed in paragraph 12 (ii) of the appreciation by the Officer Commanding British Forces in Aden would be successful and should secure lasting results. The plan proposed in paragraph 12 (i) of that appreciation was unsound for the reasons therein given and should not therefore be attempted. He insisted that it was necessary for the Royal Air Force to be allowed to take action against military objectives in Imamic territory, after the usual local warnings had been given. He thought it would be a great mistake to detail the selected objectives in the actual ultimatum. They must be free to select them as the operations proceeded.

By bombing military objectives within Imamic territory the Imam could be made anxious even about Sana'a. His anxiety about Sana'a was a very material factor in the speedy and successful issues of the Dhala operations in 1928.

He was of the opinion that the longer the existing state of affairs persisted, the bigger would be the effort eventually required to turn out the Zeidis should negotiations break down. For nine years the Audhalis had had to rest content with assurances: there were signs that both their patience and their co-operation could not be counted upon indefinitely and that their ardour might wane.

COLONEL REILLY said that from his experience of the Dhala operation in 1928, when air action against forts and places well within the Imam's territory had been effective, the threat of air action would act as a deterrent and prevent future incursions. He pointed out that the area around Rada, one of the suggested objectives, was inhabited by Zeidis, who were of the Imam's own sect. Action against them would, therefore, probably be the most effective way of bringing pressure to bear. He thought that the air action suggested would succeed in clearing the Audhali country and regaining control. The Audhalis, however, could not be relied upon to hold this tract against the Zeidis without the aid of air action.

LIEUTENANT-COLONEL HENDERSON said that the War Office were in favour of negotiations being continued and any precipitate action avoided. Their reasons were that they did not feel happy regarding the proposed use of Arab tribal levies, which had been proved unreliable. The War Office had information that the Imam had a fairly powerful and efficient fighting force, consisting of some 12,500 regular troops, with some 30,000 armed tribesmen, equipped with armoured cars, machine guns, artillery, and aircraft. Should the Imam show fight and take counter measures a big commitment might be involved.

COLONEL ISMAY hoped that too much would not be expected of the tribal force that it was proposed to employ. Forces of this kind were occasionally useful in following up after a successful attack, and collecting any loot that might be available, but they were generally valueless for any military operations in the proper sense of that term, and it would be optimistic to expect them to remain in effective occupation of a captured area for any appreciable time It was, he suggested, a pity to incur implicit responsibility for scallywags of this kind by employing a British officer to "control and direct" them, but he presumed that the military phraseology employed in the appreciation was not intended to be taken too literally.

GROUP-CAPTAIN HARRIS said that the Air Ministry did not regard the tribal levies other than as "moppers up" to enter and re-occupy territory as the Zeidis withdrew. He pointed out that this was clearly indicated in the selected plan. The Air Ministry deprecated the use of levies and irregulars as the main attack for precisely the reasons advanced by Colonel Ismay. It was the air attack on objectives in Imamic territory upon which they relied to induce the Imam to order a withdrawal, and his forces to commence one. The tribal levies would be used to follow up the withdrawal.

COLONEL REILLY observed that in the Dhala operation of 1928, the friendly Arabs did put up an effective resistance to Zeidi counter-attack. After the country is occupied these tribesmen must undoubtedly dissolve and revert to their normal occupations. This was, in his opinion, a further argument that the Air Force must have authority to attack targets outside our own borders, which was the really effective counter measure.

THE CHAIRMAN stated that the general feeling of the meeting appeared to be in favour of continuing negotiations, but that if these cannot be brought to a satisfactory conclusion it will be necessary to take action against the Imam to compel the evacuation of the Audhali and other territory of the Protectorate now held by him. It was, in the view of the Sub-Committee, essential that this action should be taken against targets in Zeidi territory. It was necessary to lay the whole case before Ministers, and he proposed to ask the Secretary of State for the Colonies for a decision as to whether this question should be laid before the Ministerial Committee or await a meeting of the Cabinet.

As regards the recent incursion into Subeihi territory, it might perhaps be thought that air action would be covered by the Cabinet decision of 1926, to the effect that the Imam should be warned that retaliatory measures would be taken to prevent incursions; but he was clear that, in present circumstances, reference to Ministers was necessary.

MR. WARNER explained that he could not commit the Foreign Office on this point. In any case, if it were decided to take forcible action against the Imam, it would be necessary to notify the Italian Government beforehand and explain the circumstances Relations between Ibn Saud and the Imam were at present very strained; Ibn Saud had appealed to His Majesty's Government for assistance, which they were unable to give; but His Majesty's Government had made representations to the Italian Government on the basis of the understanding reached in Rome in 1927, under which the two Governments agreed (1) to do their utmost to prevent conflicts between Ibn Saud and the Imam and (2) in case of such a conflict not to intervene. If His Majesty's Government were suddenly to take forcible action against the Yemen, such action might well be misunderstood in Rome as a form of intervention on behalf of Ibn Saud. It was the more necessary to explain matters to the Italian Government before any ultimatum was delivered to the Imam, in that a precisely similar situation had arisen in 1931 when His Majesty's Government presented him with an ultimatum to evacuate Al Ain when relations between him and Ibn Saud were strained. Prior explanations had then been given to the Italian Government.

Conclusions.

The SUB-COMMITTEE agreed:—

(1) (*a*) That there now seems a reasonable possibility of bringing the Treaty negotiations to a successful conclusion if an envoy can be sent to Sana'a for personal discussion with the Imam; *provided* the envoy is previously authorized, should the Imam prove obdurate—

(i) To inform the Imam that the breaking-off of negotiations will inevitably follow failure by the Imam and the envoy to reach agreement; that the envoy feels sure that His Majesty's Government will not any longer tolerate the presence of Zeidi forces in territory which His Majesty's Government claim for the Aden Protectorate; and that if negotiations are broken off, His Majesty's Government will in all probability feel compelled to assert forcibly their rights in Audhali and other territory occupied by Zeidi forces.

(ii) To break off negotiations.

Note.—In point of fact, it is hoped that if the Resident is placed in a position to make a statement of this kind it will clinch the negotiations and avoid the need for any forcible action for clearing the Audhali territory, but the envoy must have an assurance that, if necessary, His Majesty's Government will use force to clear the Audhali country and other areas in the Protectorate occupied by Zeidi forces, as the position will be quite impossible unless an ultimatum can be sent to the Imam after the negotiations are broken off.

(*b*) That while continuance of negotiations for a treaty may be regarded as a departure, in a strict sense, from the instructions approved earlier in the year to the effect that His Majesty's Government had said their last word,

the Imam's letter can be accepted as a sufficient advance to justify the Acting Resident informing the Imam that the Resident will come to Sana'a on his return in the autumn for the purpose of concluding a treaty; but that in order that there may be no misapprehension, the Imam must understand that His Majesty's Government require the trade restrictions to be raised and the other preliminaries laid down in the Resident's admonitory note to be carried out before the Treaty is actually signed, and that while the Resident will be prepared to discuss matters of wording in the text of the Treaty proposed by the Imam, the secret annexe cannot be agreed to in any form

(*c*) That in the event of action becoming necessary for the recovery of Audhali territory, it is essential that authority should be given for bombing, after the usual warnings, suitable military objectives within Imamic territory, and that we must not be limited to local action in the friendly Audhali territory now occupied by the Zeidis and on our side of the boundary.

(*d*) That in any scheme for forcible recovery of territory occupied by Zeidi forces, it would not be possible to rely upon irregular tribal levies to carry out an organized attack; that their rôle should be limited to temporary occupation of territory when cleared by air action; and that it will in the main rest with the Royal Air Force not only to clear territory occupied by Zeidi forces, but also, if necessary, to prevent reoccupation of that territory by the threat or resumption of air action against military objectives in the Imam's territory.

(*e*) That the Resident should have discretion to discuss and accept verbal amendments in the text of the Treaty, but that the Colonial Office and the Foreign Office should consider whether any of the particular amendments now suggested by the Imam must be objected to.

(2) (*a*) That as regards the incursion by Zeidi forces into the Subeihi country referred to in the Acting Resident's telegram of the 14th August, 1933 (Paper No. M.E. (O) 101), the Acting Resident should be authorized to despatch an ultimatum to the *Imam*, concurrently with a notification to the Governor of Taiz, demanding withdrawal and restoration of the prisoners and loot, to be followed in the event of non-compliance by air action, after the usual local warnings, against Taiz or other suitable military objectives within the Imam's territory in the vicinity of the disturbed area

(*b*) That the Foreign Office should take the necessary steps to advise the Italian Government of recent events in the Subeihi country and the action which it is proposed to take.

(*c*) That action in connexion with the incursion into the Subeihi country should be taken at the earliest possible moment, allowing the minimum necessary time for the delivery of an ultimatum to the Imam and of notification to the Italian Government.

(3) That the Colonial Office should take the instructions of the Secretary of State for the Colonies, as Chairman of the Standing Ministerial Sub-Committee for Questions concerning the Middle East, whether the action to be taken on the despatches and telegram from the Acting Resident under discussion should be submitted to the Ministerial Sub-Committee or to the Cabinet.

17957/33 [No. 66].

No. 136

MR. A. C. C. PARKINSON (COLONIAL OFFICE)

to

MR. G. W. RENDEL (FOREIGN OFFICE).

[*Answered by No.* 138]

MY DEAR RENDEL, Downing Street, 17th August, 1933.

COLONEL REILLY was speaking to me yesterday about the Treaty negotiations with the Imam, if it is decided that he is to try to finish them off. He took the point, which I myself (unlike some members of our Middle East Sub-Committee) have felt, that as things are it is we, rather than the Imam, who will gain if the Treaty goes

through. He was wondering, therefore, whether it would be possible to vary in any way the instructions so far given with regard to the islands in the Red Sea. He felt that if he could be a little more forthcoming on that subject it might really be helpful. The statement previously authorized is given in paragraph 6 of his letter to the Imam of the 11th April, 1933.* I told him that I was not at all hopeful about this as the wording had been very carefully considered, but that I would ask the Foreign Office whether they thought it was possible to depart in any way from those instructions. You might let me know what you think, or if you are now away, no doubt Warner will reply for you.

Yours, &c.,
A. C. C. PARKINSON.

17957/1/33 [No. 2].

No. 137.

MR. K. W. BLAXTER (COLONIAL OFFICE)

to

MR. C. F. A. WARNER (FOREIGN OFFICE).

[*Answered by No.* 142.]

(Secret.)

MY DEAR WARNER, Downing Street, 24th August, 1933.

WHILE discussing the Yemen Treaty negotiations recently, Colonel Reilly mention that, if he goes to Sana'a and succeeds in concluding a Treaty, the Imam is sure to ask him for facilities for obtaining arms. Reilly said that he would be glad to have instructions as to how he should deal with such a request.

It is not easy to see what satisfaction we could give the Imam in this matter. We know from correspondence sent over from the Foreign Office that the Saudi Minister in London has recently sounded His Majesty's Government on the subject of obtaining from them specially favourable facilities for the purchase of arms in the event of an outbreak of hostilities with the Imam. The reply to the Saudi Minister was to the effect that, while no special facilities involving favourable financial terms could be granted to his Government, there was no objection to them buying arms from manufacturers whenever and wherever they wished This being so, it is difficult to envisage a more favourable reply being returned to a similar request by the Imam, especially in view of the fact that any arms thus obtained would probably be used against Ibn Saud.

At the same time, it must be remembered that successive draft treaties presented to the Imam before and during Sir Gilbert Clayton's visit to Sana'a, contained provision to the effect that the Imam would apply only to His Majesty's Government for arms and ammunition, and that His Majesty's Government would supply them " so far as their international obligations permit and at easy and fair rates." Although the scheme of obtaining a comprehensive treaty has since been abandoned in favour of an attempt to obtain a simple treaty securing peaceful relations and the *status quo* on the boundary, references to the draft comprehensive treaties were frequently made in the early correspondence. In these circumstances, it cannot be overlooked that the Imam may harbour the idea that His Majesty's Government are morally at least, committed to supplying him with arms and ammunition on favourable terms.

It may be necessary eventually to deal with this point in official correspondence, but, as a first step, we should welcome an indication of your views as to the instructions in this matter which could be given to any envoy who may proceed to Sana'a.

Yours, &c.,
K. W. BLAXTER.

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* Enclosure in No. 131.

17957/33 [No. 79].

No. 138.

MR. C. F. A. WARNER (FOREIGN OFFICE)

to

MR. A. C. C. PARKINSON (COLONIAL OFFICE).

MY DEAR PARKINSON, Foreign Office, S.W.1, 1st September, 1933.

RENDEL has passed on to me your letter to him of the 17th August,* regarding the Imam's Red Sea islands claim. I must apologize for delaying my reply so long.

Looking back at previous discussions of the Imam's claim, it seems to me that paragraph 6 of the Resident's note of the 11th April† to the Imam goes about as far as we can. The Imam has been repeatedly told that His Majesty's Government are precluded by the Treaty of Lausanne from entering into any separate engagement with him on this subject. We do not wish to do anything which would commit us to raising the question of the Islands with the other Treaty Powers (the Admiralty and Air Ministry have in the past also expressed this view) and we can, therefore, do no more than offer to hear the Imam's views and bear them in mind, if and when the question is raised. As the Resident pointed out in his note, the Imam need not fear that the *status quo* of the Islands will be prejudiced by the proposed Treaty between himself and His Majesty's Government, and since we cannot afford his claim any positive support—of the kind, for instance, which he requires in his "secret appendix"—this is the most he can look for.

We are of course anxious to do everything to assist Reilly in his task of negotiation, and if he has some action to suggest which would make our views more acceptable to the Imam, we will, so far as the Foreign Office is concerned, be pleased to consider it. But I do not see that we can vary our present attitude, even though we may vary the expression of it, since it is dictated on the one hand by our Treaty engagements and on the other by our own interest in not raising a question which might prove embarrassing for us (over Kamaran) and might also make trouble for us with the Italians (over the Hanish Islands) and with the Saudis (over the Farsan Islands).

Yours, &c.,
C. F. A. WARNER.

17957/33 [No. 82].

No. 139.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 5.38 p.m., 5th September, 1933.)

TELEGRAM.

[*Answered by No.* 180.]

(Paraphrase.)

5TH SEPTEMBER. No. 43. My telegram No. 37 of 14th August.‡ I have received from the Officer Commanding, Taiz, two friendly conciliatory letters.

The first one sent immediately after the receipt of my letter expressed ignorance of the incident and affirmed that the restoration of prisoners and loot had been ordered by him; the Sultan of Lahej had been also similarly addressed by him. The second letter, dated five days later, repeated pacific intention, notified withdrawal of armed force from Am-nabia and repeated the assurance that all captives and stock had been restored.

In spite of this, however, the Officer in charge of Reconnaissance Party, Aden Protectorate Levies, who returned on the 28th August after 10 days' patrol in the area, stated that although the Zeidis have withdrawn and that the kidnapped tribesmen have been released, the Shaikh of Am-nabia's son is retained as a hostage and no looted property has been returned and that a motor track to Am-nabia had been prepared by the Governor of Mocha. Yesterday I received a report that headmen

* No. 136. † Enclosure in No. 131. ‡ No. 171.

of latter village and of Birsukaiya had received a summons by messenger on 31st August to appear to representative of Imam at Mocha and that neither hostage nor booty had yet been released from there.

I await latest news of situation from agent expected to return shortly. If news is unsatisfactory, I propose, in view of the amicable though unfulfilled undertakings by Taiz, to address him again and insist on full restitution. I urgently request sanction for air action previously recommended in case he further delays or refuses compliance.

17957/33 [No. 84].

No. 140.

THE SECRETARY OF STATE to THE ACTING RESIDENT.

(Sent 1.30 p.m., 9th September, 1933.)

TELEGRAM.

No. 25. SECRET. Your despatches of 12th July, Nos. 163* and 162.†. Treaty negotiations with Yemen. Decision has been reached by His Majesty's Government after consultation with Lieutenant-Colonel Reilly, that, on his return to Aden, treaty negotiations should be continued. Instructions are following by despatch.—CUNLIFFE-LISTER.

17957/33 [No. 85].

No. 141.

THE SECRETARY OF STATE to THE ACTING RESIDENT.

[*Answered by No* 147.]

(Secret.)

SIR, Downing Street, 11th September, 1933.

WITH reference to my telegram No. 25 of the 9th of September,‡ I have the honour to inform you that the questions raised in your despatches Nos. 162† and 163* of the 12th of July, regarding relations with the Imam of the Yemen, have been carefully considered, in consultation with Lieutenant-Colonel Reilly, and that His Majesty's Government have come to the following conclusions.

2. There now seems a reasonable possibility of bringing the treaty negotiations to a successful conclusion if an envoy can be sent to Sana'a for personal discussion with the Imam, and it is proposed that Lieutenant-Colonel Reilly should proceed to Sana'a for this purpose after his return to Aden. It is, however, considered by Lieutenant-Colonel Reilly that an essential condition of such negotiations is that the envoy should have an assurance that, if necessary, His Majesty's Government will use force to clear the Audhali country and other areas in the Protectorate occupied by Zeidi forces, since the position in respect of those areas would be quite impossible unless an ultimatum could be sent to the Imam in the event of the negotiations for a treaty being broken off. His Majesty's Government have endorsed this view.

3. The Resident will, therefore, have authority, when he goes to Sana'a, (i) to inform the Imam, if the latter proves obdurate, that the breaking-off of negotiations will inevitably follow a failure to reach agreement; that he feels sure that His Majesty's Government will not any longer tolerate the presence of Zeidi forces in territory which His Majesty's Government claim for the Aden Protectorate, and that if negotiations are broken off His Majesty's Government will in all probability feel compelled to assert forcibly their rights in Audhali and other territory occupied by Zeidi forces, and (ii) to break off negotiations. It is hoped that if the Resident is placed in the position to make a statement as in (i), this will, in fact, clinch the negotiations and avoid the need for any forcible action for clearing the Audhali and other occupied territory.

4. It is realized that the decision to continue negotiations for a treaty may be regarded as a departure, in a strict sense, from the instructions approved earlier in the year to the effect that His Majesty's Government had said their last word, but it is considered that the Imam's letter of the 20th of June§ can be accepted as a sufficient advance to justify the continuance of negotiations.

* No. 133. † No. 132. ‡ No. 140. § Enclosure in No. 132.

5. I accordingly request that you will now inform the Imam in reply to his letter of the 20th of June that His Majesty's Government have authorized the Resident to proceed to Sana'a, after his return to Aden in the autumn, for the purpose of concluding a treaty; but that, in order that there may be no misapprehension, the Imam must understand that His Majesty's Government require the trade restrictions to be raised and the other preliminaries laid down in the Resident's admonitory note to be carried out *before the Treaty is actually signed*, and that while the Resident will be prepared to discuss certain variations of wording in the text of the Treaty proposed in the Imam's letter, the secret annexe cannot be agreed to in any form.

6. In the event of the treaty negotiations breaking down, the Resident will, after his return from Sana'a to Aden, arrange for the despatch of an ultimatum to the Imam; and in the event of force being required to clear the Audhali territory now occupied by Zeidi forces, His Majesty's Government have decided that action should not be limited to the territory now occupied by the Zeidis on the Aden side of the boundary, but that, after the usual warnings, suitable military objectives within the territory of the Imam may be bombed.

7. Further, His Majesty's Government take the view that in any scheme for forcible recovery of territory occupied by Zeidi forces, it would not be possible to rely upon irregular tribal levies to carry out an organized attack; that their rôle should be limited to temporary occupation of territory when cleared by air action; and that it will, in the main, rest with the Royal Air Force, not only to clear territory occupied by Zeidi forces, but also, if necessary to prevent reoccupation of that territory by the threat or resumption of air action against military objectives in the Imam's territory.

8. A separate communication is being sent to you in regard to the recent incursion into the Subeihi area, upon which you have reported in your telegram No. 37 of the 14th of August* and No. 43 of the 5th of September. †

I have, &c.,
P. CUNLIFFE-LISTER.

17957/1/33 [No. 3].

No. 142.

MR. C. F. A. WARNER (FOREIGN OFFICE)

to

MR. K. W. BLAXTER (COLONIAL OFFICE).

MY DEAR BLAXTER, Foreign Office, S.W.1, 11th September, 1933.

WITH reference to your Secret letter of the 24th August‡ regarding the supply of arms to the Imam, there can, I think, be no question of His Majesty's Government supplying him with arms on favourable terms, nor indeed, I understand, under the latest ruling, of his obtaining arms from His Majesty's Government at all. Apart from this, we have, as you say, just refused Ibn Saud. Nor would we wish that arms should be supplied by private firms in this country for use against Ibn Saud. So long, at any rate, as there is tension between Ibn Saud and the Imam, we might well wish to prevent such supply by refusing a licence.

We feel, therefore, that His Majesty's Government must reserve their position completely, and that any envoy to Sana'a should not even commit them as regards allowing purchases by the Imam from private firms We cannot admit that we are in the least committed by references to the subject in earlier negotiations.

Yours, &c.,
C. F. A WARNER.

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* No. 171. † No. 139. ‡ No. 137.

17957/33 [No. 95].

No. 143.

COLONIAL OFFICE to BOARD OF TRADE.

[*Answered by No.* 144.]

SIR, Downing Street, 22nd September, 1933.

WITH reference to previous correspondence regarding the negotiation of a treaty with the Imam of the Yemen, I am directed by Secretary Sir Philip Cunliffe-Lister to transmit to you, to be laid before the Board of Trade, copies of despatches from the Resident and the Acting Resident at Aden dated the 12th April* and the 12th July, 1933.†

2. It has been decided that a further attempt should be made to conclude a treaty with the Imam; and it is proposed that on the return of the Resident to Aden next month he should proceed to Sana'a for this purpose.

3. In the meantime, consideration has been given to the various amendments proposed by the Imam in his letter of the 20th June, 1933, which is enclosed in Mr. Champion's despatch of the 12th July, 1933, and the necessary instructions as to the attitude which the Resident should adopt in regard to the various amendments are in course of preparation.

4. Article V (2) of the draft Treaty submitted by His Majesty's Government to the Imam (see enclosure to the Resident's despatch of the 12th April, 1933) reads as follows:—

> "Similarly the vessels of one High Contracting Party, their cargoes, and their passengers shall in the ports of the territories of the other receive treatment not less favourable than that accorded to the vessels, their cargoes, and their passengers of any other foreign country."

The Imam has submitted certain amendments to this paragraph among which is the omission of the words "and their passengers."

5. The intention of these words is presumably to make it clear that in the case of a vessel of one High Contracting Party calling at a port of the other High Contracting Party with passengers of a foreign State on board, the passengers of the foreign State would not receive less favourable treatment in the port than if they were travelling on a vessel of their own nationality. While Sir Philip Cunliffe-Lister would prefer that these words should be re-inserted, he is not disposed to attach great importance to their retention, and he would propose to leave it to the Resident's discretion to decide after discussion with the Imam whether these words should be retained or not. I am to inquire whether the Board of Trade concur in the Resident being instructed accordingly.

6. As it will be necessary for the proposed instructions to be issued shortly, I am to request the favour of a very early reply to this letter.

I am, &c.,
H. R. COWELL.

17957/33 [No. 104].

No 144

BOARD OF TRADE to COLONIAL OFFICE.

SIR, Great George Street, London, S.W.1, 5th October, 1933.

WITH reference to your letter of the 22nd September‡ regarding the negotiation of a Treaty with the Imam of the Yemen, I am directed by the Board of Trade to state that they are unable to concur in the suggestion of the Imam to omit the words "and their passengers" from Article V (ii) of the draft Treaty.

The reason given by the Imam for suggesting that these words should be omitted, namely, that foreign passengers in a British vessel could claim equal treatment with British subjects in a Yemeni port, appears to be based upon a misapprehension. Their inclusion in the Article is intended to secure that passengers in British ships shall not, because they are carried on British ships, be less favourably treated in a port of the

* No. 131. † No. 132. ‡ No. 143.

Yemen than they would have been had they been carried on a vessel flying the flag of any other country (other than the Yemen). I am therefore to suggest that, should Secretary Sir Philip Cunliffe-Lister see no objection, His Majesty's Resident at Aden should be asked to make this point clear to the Imam and to request him to withdraw his proposed amendment.

I am, &c.,
A. E. OVERTON.

17957/1/33 [No. 6].

No. 145.

MR. G. W. RENDEL (FOREIGN OFFICE)

to

MR. A. C. C. PARKINSON (COLONIAL OFFICE).

MY DEAR PARKINSON, Foreign Office, S.W.1, 17th October, 1933.

IN the course of our conversation with Reilly on 10th October about the possible negotiations with the Imam, I promised to look into the question of our attitude towards the supply of arms to the Imam, which formed the subject of Warner's letter of 11th September* to Blaxter. You will remember that the point is at present dealt with in paragraph 4 of the draft instructions to Reilly which were enclosed in your official letter of 22nd September;† and that Reilly explained that the Imam would certainly attach the greatest importance to a removal of our present embargo on the export of arms, &c., to the Yemen, and would probably be much influenced in agreeing to a treaty settlement if we could tell him at once that the embargo would be lifted.

2. From the papers which I had in mind I find that the question of the supply of arms to the Imam was very thoroughly gone into when we were discussing possible negotiations with him in 1928. The matter seems to have been considered by the Committee of Imperial Defence at its 235th Meeting on 22nd May‡ of that year, and the view then taken was that we should probably be unable to maintain our embargo if a treaty were concluded. The question was further investigated, and I find that an Eastern Department Memorandum of 24th May, 1928, ended with the following conclusion :—

> " Our refusal to supply the Imam with any kind of war material from this country has been based solely on the fact of his being still in occupation of portions of the Aden Protectorate. There is clearly no general objection on any other grounds to the supply of arms to the Imam, since we have definitely removed the embargo as regards the whole of the rest of Arabia. In these circumstances, if a settlement should be reached of the frontier question there would seem to be no reason why the arms embargo should not be relaxed, unless it appeared that the arms were intended for immediate use against Ibn Saud."

3. Following on your official letter of 29th October, 1928,§ the matter was further discussed at an Interdepartmental Meeting at the Colonial Office two days later, when it seems to have been agreed that we should certainly have to meet the Imam's wishes regarding the removal of our embargo on the export of arms from this country to the Yemen, but that it would be desirable to deal with the matter, as was done when a similar question was settled with Ibn Saud at the time of the conclusion of the Treaty of Jeddah, by an exchange of notes. The intention seems to have been to authorize the Resident, when the time came, to follow that precedent, and to inform the Imam by means of a note (which the Imam would formally acknowledge) that he would be free to import arms, &c., from this country, in accordance with the provisions of the Arms Traffic Convention, for the use of his Government. At the same time we seem to have been prepared to give the Imam an undertaking that—subject to our international obligations—we should be prepared to render him such assistance " in the selection of personnel or equipment or requirements for economic projects " as he might require. These conclusions seem to have been confirmed in an exchange of letters between Cowell and Seymour of 5th November and 13th November, 1928.‖ I have been unable to trace any papers indicating that it has at any subsequent time been suggested that the policy then agreed upon should be modified.

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* No. 142. † No. 143. ‡ C. 59312/28 [No. 82] : not printed.
§ C. 59355/28 [No. 22] : not printed. ‖ C. 59355/28 [Nos. 30 and 37] : not printed.

4. It seems to me that there is a basic difference between the grant of " special facilities " for the purchase of arms and the proposed removal of the embargo. It is quite true that we refused to give Ibn Saud special facilities for the purchase of arms, and that therefore we must equally refuse to give the Imam such facilities. We could not, however, in any case give such facilities to anyone, since, as the Saudi Minister admitted when he first approached us with the Saudi Government's request for such facilities some months ago, the facilities in question would be purely financial, *i.e.*, that arms should be supplied either on specially cheap terms, or on long credit, or free. This was, and is, of course, out of the question.

5. But as regards the question of the removal of the embargo, *i.e.*, of freedom to purchase arms from private sources as a commercial transaction, I myself do not share the view expressed in Warner's letter. The present position is that Ibn Saud knows—and has indeed been specifically reminded—that he is perfectly free to purchase arms and munitions for his own use (*i.e.*, for that of his Government) from private sources in this country or elsewhere. We are committed *vis-à-vis* the Italians to a policy of impartiality as between Ibn Saud and the Imam. Our present embargo on the export of arms to the Imam is due solely to the possibility of such arms being used against ourselves or our *protégés* in the Aden Protectorate. If we come to terms with the Imam that reason will cease to operate, and if we then maintain our embargo we shall virtually be re-imposing it on quite different grounds, *i.e.*, because for one reason or another we wish to favour Ibn Saud against him in a possible conflict. It seems to me that it would be inconsistent for us to make friends with the Imam by concluding a Treaty of Friendship with him, and at the same time, by continuing the arms embargo against him alone, virtually take sides against him in his dispute with Ibn Saud. Moreover, such an attitude would, I think, be difficult to reconcile with our policy of neutrality and impartiality to which we are still committed by our undertakings with the Italians. If the embargo is to be maintained after its present *raison d'être* has ceased to operate, without our thereby definitely aligning ourselves with Ibn Saud against the Imam, the only solution would be to impose it against Ibn Saud as well.

6. My own view therefore is that if we reach a treaty settlement with the Imam the original decision to remove the embargo on the export of arms from private sources must be maintained, unless by any chance the situation between the Imam and Ibn Saud has so changed and deteriorated, and we are so confident that the Imam is the aggressor, that we find we must depart from our policy of impartiality and definitely favour Ibn Saud by allowing the export of arms to him but not to his opponent.

7. As a matter of fact it seems to me that if we were to reach a treaty settlement with the Imam we should be in a much stronger position in trying to improve relations between him and Ibn Saud, as he would hardly wish to embark on a quarrel with a ruler known to be on very close terms with us at such a moment. This is, however, a somewhat hypothetical question.

8. My main point is that unless the situation between the Imam and Ibn Saud so gravely deteriorates before our Treaty with the Imam is concluded as to make it necessary for us definitely to take Ibn Sauds' side, I do not see how we should be able to refuse to remove the general embargo on the export of arms to the Yemen from this country.

9. In view of what Reilly said on 10th October about the Imam's anxiety to receive facilities for obtaining general supplies, &c., from this country, you may also like to pursue further the question of assistance for the Imam in the purchase of his " requirements for economic projects," &c., referred to at the end of paragraph 3 above. I understood from Reilly that what he had in mind was the appointment by the Imam, on the recommendation of His Majesty's Government, of some kind of purchasing agents of the type of Gellatly Hankey, who, as you may remember, were appointed purchasing agents by Ibn Saud at our instance some years ago. I see that this point was dealt with in a draft telegram enclosed in Cowell's letter of 5th November, 1928, to Seymour, and that will no doubt put you on the track of the relevant correspondence.

10. I am so sorry not to have been able to deal earlier with the remainder of the proposed draft instructions to Reilly enclosed in your official letter of 22nd September,* but they raise one or two difficult questions and have involved a good deal of research, for which it has been very difficult to find the necessary time.

Yours, &c.,
G. W. RENDEL.

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* No. 143.

17957/33 [No. 105A].

No. 146.

THE SECRETARY OF STATE to THE RESIDENT.

(Secret (2).)

SIR, Downing Street, 23rd October, 1933.

WITH reference to my Secret despatch of the 11th of September* regarding Treaty negotiations with the Imam of the Yemen, I have the honour to transmit to you two Full Powers† authorizing you to negotiate with the Imam in respect of the United Kingdom and of India respectively.

The amendments in the draft Treaty proposed by the Imam in his letter of the 20th June, a copy of which was enclosed in Mr. Champion's Secret despatch No. 162 of the 12th of July‡ were discussed at an Interdepartmental Meeting on the 14th September at which you were present. The various questions which arose at that meeting are still under consideration by the Departments concerned, but I shall not fail to send to you the necessary detailed instructions in sufficient time for them to reach you before your departure from Aden

I have, &c.,
P. CUNLIFFE-LISTER.

17957/33 [No. 106].

No 147.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 2.4 p.m., 25th October, 1933.)

TELEGRAM.

[*Answered by No.* 148.]

(Paraphrase.)

No. 62. 25TH OCTOBER. My telegram No. 60 of 23rd October. I am now sending letter to Imam regarding my visit to Sana'a in terms of instructions in your Secret despatch 11th September.* In view of arrangements required prior to my departure and necessity of awaiting the Imam's reply before these can be made definitely I am proposing to Imam to leave Aden about 25th November. I hope to receive his answer at latest by mid-November. Meanwhile I suggest that the Government of India be told that Subeihi incidents have been settled satisfactorily, and that it is hoped to despatch mission about 25th November, and that pending Imam's agreement to this, they be asked to arrange provisionally for Wightwick to reach Aden by 22nd November. I suggest that similar provisional arrrangements be made for despatch of interpreter from Palestine to Aden, and that Admiralty be asked whether one of the Red Sea sloops can convey myself and party on date proposed from Aden to Hodeidah. I recommend that party comprise myself, Champion, Lieutenant Hamilton of Aden Protectorate Levies (who can be spared from his normal duties and who would be very useful to me), an Arabic-speaking Indian doctor whom I have obtained locally, and an Arab transport officer from Aden Protectorate Levies, and personal servant. I request that plenipotentiary powers and detailed instructions regarding Treaty terms discussed at meeting at the Colonial Office on 14th September be despatched to me as early as possible.

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* No. 141. † Not printed. ‡ No. 132.

153

17957/33 [No. 111A].

No. 148.

THE SECRETARY OF STATE to THE RESIDENT.

(Sent 8.30 p.m., 25th October, 1933.)

TELEGRAM

[*Answered by No.* 151.]

(Paraphrase.)

No. 53. YOUR telegram of 25th October, No. 62.* Please defer despatch of letter to Imam pending further instructions which will be sent shortly. If letter has gone and you can stop it without serious difficulty I shall be glad if you will do so.—CUNLIFFE-LISTER.

17957/33 [No. 112].

No. 149.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR, Foreign Office, S.W.1, 25th October, 1933.

I AM directed by Secretary Sir John Simon to offer the following comments on the draft despatch to the Resident at Aden and the draft memorandum regarding the proposed treaty with the Imam of the Yemen, which were enclosed in your letter of 22nd September.† These comments would have been sent earlier had not the change in the situation resulting from the recent decision of His Majesty's Government to issue an ultimatum to the Imam in connexion with his occupation of the Subeihi territory in the Aden Protectorate, rendered the question of the resumption of negotiations with the Imam one of somewhat less urgency than at first appeared.

2. As regards the draft despatch to the Resident at Aden, this Department does not appear to have been furnished with a copy of Secretary Sir Philip Cunliffe-Lister's Secret despatch of 11th September‡ to the Acting Resident, which is referred to in the opening paragraph. Unless, however, that despatch dealt in detail with the policy which it has now been agreed that His Majesty's Government should adopt in their relations with the Imam, it seems desirable that some explanation should be given, if only for purposes of record, of the reasons which have led His Majesty's Government to reconsider their previous policy and to modify the attitude defined in paragraph 7 of Colonel Reilly's letter of 11th April§ last to the Imam. Unless some such explanation is given it may not be clear why His Majesty's Government have not been able to authorize the course of action suggested by the Acting Resident in paragraph 7 of his despatch No. 162 of 12th July,‖ and why they have decided no longer to insist on the actual removal by the Imam of his prohibition of land trade between the Yemen and the Aden Protectorate before authorizing the Resident to proceed to Sana'a with a view to further discussion of a treaty settlement, as had been originally proposed. The reasons which have led His Majesty's Government to modify their policy in this respect, are fully explained in the final minutes¶ of the twenty-sixth meeting of the Middle East Official Sub-Committee of the Committee of Imperial Defence.

3. The Secretary of State has no observations to offer in regard to paragraph 2 of the draft despatch, but paragraphs 3 and 4 regarding the possible removal of the embargo on the export of arms to the Imam and the possible grant of assistance to the Imam in the purchase of supplies, &c., from this country, will now have to be reconsidered in the light of Mr. Rendel's semi-official letter of 17th October** to Mr. Parkinson. Sir John Simon will be glad if he may in due course be given an opportunity of offering further comments on the redraft of this portion of the despatch which will no doubt be prepared as a result of that communication.

4. As regards paragraph 5 of the despatch, since no modification of the attitude laid down in paragraph 3 of Colonial Office telegram No. 10 Secret, of 24th March†† to the Resident, and adopted in paragraph 6 of the Resident's letter of 11th April to the Imam, is contemplated, Sir John Simon is prepared to concur in the terms of this portion of the draft. It is important, however, that, if the Resident is to be authorized

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* No 147. † C. 17957/33 [No. 97] · not printed. ‡ No. 141. § Enclosure in No. 131.
‖ No. 132. ¶ No. 135. ** No. 145. †† No. 129.

to report to His Majesty's Government any observations which the Imam may make on the subject of the islands, he should not give the Imam any reason to hope that this will lead His Majesty's Government to modify their attitude. For the reasons explained at the twenty-third meeting of the Middle East Official Sub-Committee of the Committee of Imperial Defence on 7th March last* (see pages 3, 4, 6, and 7 of the final minutes of that meeting) it will in fact be quite impossible for His Majesty's Government to give the Imam any satisfaction in this matter, and it is indeed undesirable that they should even go so far as to admit the Imam's claim to describe any Red Sea island as "Islands of the Yemen." There therefore seems some danger that, by agreeing to report to His Majesty's Government the views of the Imam on this question, the Resident may only raise false hopes, and give the Imam a misleading impression. If, however, this danger can be avoided, and the Resident still thinks that a readiness on his part to report the views of the Imam to His Majesty's Government on this question, if he is asked to do so, may facilitate a settlement, Sir John Simon does not wish to raise any objection to the proposal. In this connexion I am to invite a reference to Mr. C. F. A. Warner's letter of 1st September† to Mr. Parkinson, in which attention was drawn to the difficulty of making any further concession to the Imam in this direction.

5. In this connexion, however, I am to suggest that it should be made clear not only at the end of the memorandum on the Imam's suggested amendments (as at present), but also in the body of the covering despatch, that the Imam's proposal for a secret appendix to the Treaty, dealing with the question of the islands and of the territorial question dealt with in paragraph 3, is wholly unacceptable.

6. As regards the final paragraph of the draft despatch to the Resident, I am to observe that the necessary full powers have already been prepared, and that they were sent to your department in Foreign Office letter of 9th October.‡

7. While the memorandum regarding the various amendments in the proposed Treaty which have been suggested by the Imam, appears to be generally in harmony with the conclusions reached at the Interdepartmental Meeting held to consider this question on 14th September, I am to offer the following further observations on the various points involved, which are the result of the further consideration which has now been given to the matter in this Department.

8. Article I.—Notwithstanding the view taken at the Interdepartmental Meeting of 14th September, that the Imam's proposed addition of the words "and his Government" might, if necessary, be acquiesced in, the Secretary of State, on further consideration, sees serious objection to inserting either in the body of the Treaty, or in any formal exchange of notes to be attached to it, any specific statement to the effect that the Treaty will be applicable to the Governments of the High Contracting Parties, since, unless such a statement is carefully qualified and explained, its effect might well be to throw doubt on whether other treaties with Arabian rulers made in the names of the Heads of States alone would in fact remain binding on the Governments of the States concerned. As Sir Philip Cunliffe-Lister is aware there can, in fact, and in law, be no doubt that a treaty between Heads of States binds them, their successors, their governments and succeeding governments The Head of the State contracts on behalf of and binds the State as a whole, *qua* international entity, and no distinction between him and his government exists in the matter; it would be most undesirable to admit even by implication that any such distinction could validly be drawn. Were His Majesty's Government now to acquiesce in the Imam's demand that any of His Majesty's Governments should be specified in terms as being bound by the Treaty as well as the King himself, it seems possible that both the Saudi Government and the 'Iraqi Government might raise similar questions in connexion with the Treaty of Jeddah of 1927, and the Anglo-'Iraqi Treaty of 1930, both of which are, of course, in the names of Heads of States alone. On the other hand, if, through ignorance of international law and practice in this matter, the Imam requires some special reassurance on this point, there would be no objection to Colonel Reilly being authorized to address a note to the Imam, on the general lines of the draft note attached to the draft memorandum enclosed in your letter under reply, provided that it is made clear in it that the note does not impose any obligation on either party additional to that contained in the text of the Treaty, or indeed add anything at all to what will in any event be the effect of the Treaty, but is merely a document intended to explain what, according to established law and practice, is the meaning and effect of a treaty to which His Majesty as Head of the State is a party on behalf of the United Kingdom and India, viz., that it is necessarily binding on

* No. 128. † No. 138. ‡ 17957/33 [No. 105]: not printed.

His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland, and upon the Government of India. Even in this event, however, Sir John Simon would consider it greatly preferable that the proposed explanatory note should take the form of a general explanation of the existing position without specific reference to the proposed Treaty. Such an explanation, being of general application, would dispose once and for all of any questions which might otherwise be raised as to the binding character of the other Arabian treaties referred to above. If Sir Philip Cunliffe-Lister shares this view, the portion of the draft memorandum dealing with Article I will need to be rewritten, and in these circumstances it seems unnecessary to offer any comment on the phraseology employed in the present draft, though, had it been retained, it would in fact have needed some slight modification in order to bring it into harmony with the present constitutional position.

9. As regards Article III, the Secretary of State concurs with the first paragraph of the comment on the Imam's suggested amendment, and agrees that the Resident must be instructed to insist on the retention of the original draft put forward by His Majesty's Government. It is not clear, however, what previous correspondence is referred to in this paragraph, and Sir Philip Cunliffe-Lister may possibly think it desirable to give Colonel Reilly a further explanation on this point on the lines of the views expressed by the Foreign Office representatives at the twenty-third meeting of the Middle East Official Sub-Committee on 7th March* (see page 5 of the final minutes of that meeting).

10. As regards the second paragraph of the comment on Article III in the draft memorandum, the Secretary of State presumes that Sir Philip Cunliffe-Lister is satisfied that the omission of the words "or by persons under their protection" does not, as suggested in paragraph 3 (1) (of Mr. Champion's despatch No. 162 of 12th July†), imply any acquiescence in an attempt by the Imam to avoid recognizing the rights of His Majesty's Government to protect the Protectorate tribes. As, however, the chief object of this portion of Article III is to obtain a guarantee from the Imam against incursions by his subjects into the Protectorate, and the reciprocal obligation was merely introduced in order to make this undertaking more palatable to the Imam, Sir John Simon sees no other reason to object to the omission of a phrase which could only be applicable to incursions from the Protectorate into Yemeni territory, since it would in any case be the settled policy of His Majesty's Government to try to prevent such raids from taking place. There appears, however, to be a typing error in this passage of the draft memorandum, where the words "by his subjects or" should presumably be amended to read "by their subjects or."

11. As regards Article IV, while it seems possible that the Imam may have some subtle reason for wishing to avoid a reference to "general international practice," the point appears in fact to be of little importance and Sir John Simon is prepared to agree to the Imam's amendment being accepted.

12. The Imam has suggested various amendments in Article V which are dealt with at length in the draft memorandum. These amendments will be taken in order.

13. The first is that the words "from the date of the coming into force of the present Treaty" should be omitted from the opening paragraph of the Article. Sir John Simon is advised that the legal position would be unchanged whether these words are retained or not, since it is clear that the obligation will apply as from the date specified in Article VII for the coming into force of the Treaty as a whole. While, therefore, the retention of the words might be of some slight advantage to His Majesty's Government, as possibly avoiding ambiguity in the event of the benefits of the Treaty being claimed in a case which had arisen before its entry into force but was still outstanding at that date, Sir John Simon considers that it is hardly worth embarking on an argument with the Imam on a purely formal point of this nature which has little substantive importance, and that, therefore, unless the Resident has reason to believe that the Imam desires the omission of these words in order to evade some obligation under the Treaty, Colonel Reilly should be authorized to agree to the proposed omission.

14. The Secretary of State agrees that the Imam's phrase "each of the High Contracting Parties" may be substituted for the phrase "one High Contracting Party."

15. As regards the proposed insertion of the words "and judgments" after the words "local laws," Sir John Simon agrees generally with the relevant paragraph of the draft memorandum, but is advised that it would be preferable that the

* No. 128. † No. 132.

wording should be slightly changed, and that it should be explained that His Majesty's Government are willing to accept the addition of the words " and courts " or " and tribunals " as giving effect to what they understand to be the meaning of the Imam's proposals better than the words " and judgments."

16. The Secretary of State considers that it would be preferable to deal at this stage of the memorandum with the Imam's suggested amendment in paragraph 1 of Article V providing for the grant of most-favoured-nation treatment only instead of the grant of both most-favoured and national treatment as provided in the draft put forward by His Majesty's Government. On this question, the Secretary of State agrees generally with the terms of the relevant paragraph of the draft memorandum, but considers that it would be well to insert a specific reference to Colonel Reilly's previous instructions on this point as contained in Sir Philip Cunliffe-Lister's Secret despatch of 13th October, 1932.* which followed on the correspondence with the various departments concerned ending with Foreign Office letter of 17th September† of that year.

17. I am to suggest that the paragraph in the draft memorandum, dealing with the Imam's suggested amendments to paragraph 2 of Article V, should then be transposed, to follow immediately after the paragraph discussed above. As it is agreed that the phrase " in the ports of the territories of the other " must stand, and that the Imam's amendment cannot be accepted, Sir John Simon concurs in the terms of this paragraph, subject to the amendments suggested by the Dominions Office in their letter of 26th September‡ to the Colonial Office.

18. I am to suggest that, if the above amendments are adopted, the paragraph in the draft memorandum dealing with the Imam's desire to omit the whole of paragraph 3 of Article V should be transposed to follow the paragraph dealt with above, and that it should be amended to read as follows :—" The Imam wishes to omit the whole of paragraph 3. This paragraph is necessary to ensure *inter alia* that while the privileges granted in paragraphs 1 and 2 in respect of British subjects, vessels, &c., apply to all British subjects, vessels, &c., from whatever part of the British Commonwealth of Nations they may come, the privileges granted to Yemeni subjects, vessels, &c., do not apply in the territories of the Dominions. His Majesty's Government in the United Kingdom are bound by inter-Imperial obligations to endeavour to secure that in treaties made between His Majesty's Government in the United Kingdom and foreign Powers, benefits of the nature of those conferred by Article V, should be extended to British subjects and vessels generally, and to make it clear by definition in the Treaty that the benefits are so extended. Paragraph 3 is necessary also ". . . . . &c. It will be observed that this amendment incorporates that suggested in the Dominions Office letter of 26th September referred to above.

19. As regards the question of the Imam's desire to omit the words " and their passengers " from paragraph 2 of Article V, Sir John Simon, while concurring generally in the relevant paragraph of the draft memorandum is prepared to be guided by the views of the Board of Trade which will no doubt be furnished in reply to the Colonial Office letter of 22nd September,§ of which a copy was enclosed in your letter under reply.

20. As regards the question of the language of the Treaty, which the Imam has raised in his proposed amendment to Article VII, various important questions of principle are involved, and Sir John Simon is not yet in a position to express his final views on this point. I am, however, to request you to draw Sir Philip Cunliffe-Lister's attention to the fact that both in the Treaty of Jeddah of 1927 with King Ibn Saud, and in the Treaty of Alliance with 'Iraq of 1930. it is provided that in case of divergence between the English and Arabic texts of the Treaty, the English text shall prevail, and Sir John Simon is inclined to take the view that there would hardly be sufficient justification to treat the Imam in this matter more favourably than King Ibn Saud or King Feisal of 'Iraq, particularly as to do so would create a most unfortunate precedent in a matter to which he attaches considerable importance on grounds of general principles and policy. The matter will, however, be further considered, and a further communication on the subject will be addressed to you in due course.

21. I am to add that, since the question of a possible visit to Sana'a by the Resident at Aden was last discussed, the situation between the Imam and Ibn Saud has, as Sir Philip Cunliffe-Lister is aware, greatly deteriorated According to the latest reports from His Majesty's Chargé d'Affaires at Jeddah, there now seems a serious risk that open hostilities may break out in the near future between the Yemen

* No. 289 in Middle East No. 34.
† C. 97857/32 [No. 203] : not printed.
‡ 17957/33 [No. 100] : not printed.
§ No. 143.

and Saudi Arabia; and in such an event, in view of the close and friendly relations existing between His Majesty's Government and King Ibn Saud, there might be political objections to Colonel Reilly visiting Sana'a at this moment with a view to concluding a Treaty of Friendship between His Majesty's Government and the Imam. In these circumstances I am to ask that Sir John Simon may be further consulted as to the desirability of Colonel Reilly proceeding to Sana'a, if actual hostilities between the Imam and Ibn Saud should have broken out before the date of Colonel Reilly's proposed departure from Aden.

22. Copies of this letter are being sent to the India Office, Dominions Office, and Board of Trade.

I am, &c.,
G. W. RENDEL.

17957/33 [No. 111B].

No. 150.

THE SECRETARY OF STATE to THE RESIDENT.

(Sent 4.45 p.m., 26th October, 1933.)

TELEGRAM.

[*Answered by No.* 151.]

(Paraphrase.)

No. 54. REFERENCE my telegram No. 53.* My request was based on representations from the Foreign Office in regard to situation between Ibn Saud and Imam. Telegraph if you were able to defer despatch of letter.—CUNLIFFE-LISTER.

17957/33 [No. 113].

No. 151.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 9 a.m., 27th October, 1933.)

TELEGRAM.

[*Answered by No.* 155.]

(Paraphrase.)

No. 64. 27TH OCTOBER. Your telegrams Nos. 53* and 54.† Pending your further instructions despatch of letter stopped. I trust that the delay will be short as the reply to the Imam is overdue and the local situation is now favourable to the resumption of negotiations which he is expecting on my return to Aden. Undesirable reaction may be produced by continued silence on our part.

17957/33 [No. 114].

No. 152.

COLONIAL OFFICE to FOREIGN OFFICE.

[*Answered by No.* 153.]

SIR, Downing Street, 28th October, 1933.

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to the letter from this Department of the 25th October‡ enclosing a copy of a telegram from the Resident at Aden reporting that he is now proposing to address a letter to the Imam of the Yemen regarding his visit to Sana'a.

2. On the evening of the 25th October semi-official discussions took place between representatives of this Department and the Foreign Office regarding the Resident's proposal, and it was pointed out by your Department that it might be desirable to postpone for a short time the Resident's visit to Sana'a, in view of the strained relations at present existing between King Ibn Saud and the Imam and the risk of the outbreak

* No. 148.
† No. 150.
‡ 17957/33 [No. 108] : not printed.

of early hostilities between the two Rulers. In order to give time for further consideration of this aspect of the matter, it was decided to address a telegram* to the resident at Aden asking him to defer the despatch of the letter to the Imam pending the receipt of further instructions. In order to ascertain definitely whether the letter had been stopped and to explain shortly to the Resident the reason why the first telegram was sent, a second telegram was addressed to him on the 26th October.† Copies of these two telegrams are enclosed.

3. A reply‡ has now been received from the Resident to these two telegrams in which he expresses the hope that the delay will be short, as a reply to the Imam is overdue and the local situation is now favourable for the resumption of negotiations. He states also that undesirable reactions may be produced if there is further delay in sending a reply to the Imam's letter. A copy of this telegram is also enclosed.

4. Sir Philip Cunliffe-Lister is in agreement with the views expressed in the Resident's telegram of the 27th October, and, unless there have been further developments in the situation since the semi-official representations were made on the 25th October he would propose, subject to Secretary Sir John Simon's concurrence, to inform the Resident that His Majesty's Government have now given further consideration to the matter, and that he is now authorized to despatch the letter to the Imam as proposed in his telegram No. 62 of the 25th of October§ and proceed with arrangements for his visit to Sana'a. The Secretary of State would propose to add, however, that, as the Resident is aware, the situation between the Imam and Ibn Saud is at present critical with a risk of the outbreak of hostilities in the near future, and that he leaves it to the Resident's discretion to judge in the light of the development of events in the next few weeks whether he should actually proceed to Sana'a, or whether he should suggest to the Imam a postponement of his departure.

5. I am to point out that any prolonged postponement of the further negotiations with the Imam will be likely to have embarrassing results in the Aden Protectorate. As Sir John Simon is aware, it is hoped as the result of the proposed negotiations to secure the evacuation by the Imam of certain districts in the Aden Protectorate which are now in his occupation, and in particular of the Audhali district. It may be expected that if there is any prolonged suspension of negotiations the Resident will be faced with strong pressure from the Audhali tribesmen in support of hostile action against the Imam to secure the evacuation of these areas. Sir Philip Cunliffe-Lister therefore hopes that Sir John Simon will feel able to give his early concurrence in the proposal in the preceding paragraphs of this letter.

6. A copy of this letter and its enclosures is being sent to the India Office, War Office, Air Ministry, Admiralty, Dominions Office, Treasury, and the Committee of Imperial Defence.

I am, &c.,
H. R. COWELL.

17957/33 [No. 127].

No. 153.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR, Foreign Office, S.W.1, 4th November, 1933.

I AM directed by Secretary Sir John Simon to offer the following observations on Colonial Office letter of the 28th October‖ regarding the proposed resumption of treaty negotiations with the Imam of the Yemen.

2. Sir John Simon fully appreciates the anxiety of the Resident at Aden that these negotiations should not be suspended for any considerable length of time in view of the resentment which might be felt by the Audhali tribesmen at such a policy, and the likelihood of their pressing strongly for forcible action against the Imam with a view to the recovery of the occupied territory, if the negotiations appear to have broken down. It is no doubt also possible that the Imam would be more likely to agree to a favourable treaty settlement, when he is on the verge of a serious conflict with King Ibn Saud than when he is not so embarrassed.

3. If, therefore, it were possible to consider this question purely in the light of the relations between His Majesty's Government and the Imam, Sir John Simon would be inclined to concur in the proposal to proceed at once with the course of action

* No. 148. † No. 150. ‡ No. 151. § No. 147. ‖ No. 152.

recommended by the Middle East Official Sub-Committee at its meeting of the 15th August.* But in reviewing the arguments for and against the immediate resumption of these negotiations, he has in mind the effect of such action on the relations of His Majesty's Government, not only with King Ibn Saud, but also with the Italian Government.

4. After consultation with His Majesty's Minister at Jeddah, who is at present on leave in this country, Sir John Simon considers that it would be undesirable, from the point of view of Anglo-Saudi relations, that the Resident should be conducting treaty negotiations at Sana'a at a time when the Imam was engaged in open hostilities with Ibn Saud. The Secretary of State has substantial reason to believe that the danger of the outbreak of an armed conflict between the Imam and King Ibn Saud, which now appears so imminent, has been brought about by the action and policy of the Imam rather than by that of King Ibn Saud. In these circumstances, it appears particularly undesirable that His Majesty's Government should make any advances to the Imam which might be interpreted as offering him encouragement; and the mere fact that Lieutenant-Colonel Reilly was at Sana'a for the purpose of negotiating a treaty settlement while hostilities were actually proceeding between Ibn Saud and the Imam, would not unnaturally prejudice the impartiality of His Majesty's Government in the eyes of Ibn Saud, and to that extent weaken their influence in dealing with him in the present crisis as well as over matters of more direct mutual concern.

5. As regards the Italian Government, as Secretary Sir Cunliffe-Lister is aware, His Majesty's Government are committed, under the understanding reached with the Italian Government at Rome in 1927, to close co-operation with the Italian Government in the affairs of south-western Arabia. There is, however, a wider and even more important aspect of the matter. Close and cordial co-operation with the Italian Government has now become a matter or great importance in connexion with major European issues, and it is therefore more than ever desirable that the Italian Government should realize that His Majesty's Government are in fact loyally fulfilling their obligations under the Rome Agreement, and are adopting an attitude of impartiality towards the two parties to the present dispute. Recent events in the Aden Protectorate have rendered it increasingly difficult to convince the Italian Government of this; and were His Majesty's Government to offer to resume negotiations with the Imam at the present stage of the Imam's conflict with Ibn Saud, the suspicion might well be aroused that His Majesty's Government were seeking to take advantage of the Imam's present difficulties and were therefore more inclined to promote than to discourage the present dispute.

6. For these reasons Sir John Simon considers that it would be unsuitable that the Resident should be left discretion to inform the Imam that he is ready to proceed at once to Sana'a. Were he so to proceed, hostilities might break out before he reached Sana'a or while he was in the middle of negotiations, which it would then be difficult to break off. In addition Sir John Simon considers that an opportunity is presented to His Majesty's Government of actually influencing the Imam in favour of agreeing to negotiations with Ibn Saud. I am therefore to suggest that Lieutenant-Colonel Reilly should be instructed to reply at once to the Imam in the following terms.

7. His Majesty's Government have duly considered the Imam's letter of the 20th June and are, in principle, willing to resume negotiations, with the reservations set out in paragraph 5 of Colonial Office despatch of the 11th September† to the Acting Resident, and to instruct Lieutenant-Colonel Reilly to visit Sana'a to that end. They have learnt, however, with regret that there is an imminent possibility of the outbreak of an armed conflict between the Imam and King Ibn Saud. While wishing to maintain the present fortunate state of relations with both Rulers, they consider that it would be open to misunderstanding were they to give to one party at the present juncture so special a mark of their friendly attitude as would be involved in the despatch to Sana'a for the first time after a long interval of a highly-placed official. They regret, therefore, that Lieutenant-Colonel Reilly's visit to Sana'a must be postponed, until the situation between the Imam and King Ibn Saud is such as to preclude the likelihood of hostilities during the stay of the mission at Sana'a.

8. Sir John Simon will be glad to learn whether Sir Philip Cunliffe-Lister is willing to authorize action in the above sense. If instructions are sent to Lieutenant-Colonel Reilly in the sense proposed, Sir John Simon will be grateful if they may be

* No. 135. † No. 141.

couched in the terms used in the preceding paragraph, in order to minimize the risk of impairing the relations of His Majesty's' Government not only with the Imam, but also with the Italian Government and with King Ibn Saud.

9. Copies of this letter are being sent to the India Office, Dominions Office, Treasury, War Office, Admiralty, Air Ministry, and Committee of Imperial Defence.

I am, &c.,
G. W. RENDEL.

17957/33 [No. 130].

No. 154.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR, Foreign Office, S.W.1, 7th November, 1933.

WITH reference to paragraph 20 of Foreign Office letter of the 25th October* regarding the question of the language of the proposed Treaty with the Imam of the Yemen, I am directed by Secretary Sir John Simon to request you to inform Secretary Sir Philip Cunliffe-Lister that this matter has now received further consideration in this Department with the following result.

2. As Sir Philip Cunliffe-Lister is aware, it was provisionally agreed at the Interdepartmental Meeting of the 14th September, at which the terms were discussed of the instructions to be sent to the Resident at Aden in regard to the negotiation of this Treaty, that the instructions on the language question which were embodied in paragraph 12 of Sir Philip Cunliffe-Lister's Secret despatch of the 14th April, 1932,† to the Resident should be maintained. These instructions were, briefly, that if the negotiator were unable to secure that the English text of the Treaty should prevail, he should hold out for English and Arabic texts of equal validity. Finally, if after the settlement of all other disputed points the language question alone appeared likely to prevent the satisfactory conclusion of a Treaty, the negotiator might in the last resort agree to an Arabic text only, while taking every precaution to ensure that it accurately represented the English text, which would be required for presentation to Parliament.

3. After reconsidering this question, however, in the light of the amendments to the text of the Treaty which are proposed in the Imam's letter of the 20th June to the Resident, Sir John Simon inclines to the view that, if the serious difficulties which the Imam has raised in regard to the Treaty are successfully overcome by negotiation, it is unlikely that the Imam will go to the length of refusing to conclude a Treaty, merely because the language question remains unsettled. In view of this and since, in addition, as stated in paragraph 20 of the Foreign Office letter under reply, Sir John Simon is disposed to consider that there is insufficient justification for treating the Imam more favourably in this matter than King Ibn Saud or King Feisal of 'Iraq and that to do so would create an undesirable precedent, he would prefer that the point should be kept open for the present.

4. I am therefore to suggest that, if Sir Philip Cunliffe-Lister concurs, the Resident should be informed that, as at present advised, His Majesty's Government are not disposed to make a concession on the point of language, but that, if the other outstanding points are all successfully settled, and the negotiations appear likely to break down on this issue alone, he should refer by telegraph to His Majesty's Government for further instructions.

5. Copies of this letter are being sent to the India Office, Dominions Office, and Board of Trade.

I am, &c.,
G. W. RENDEL.

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* No 149. † No. 278 in Middle East No. 34. ‡ Enclosure in No. 132.

17957/33 [No. 140].

No. 155.

THE SECRETARY OF STATE to THE RESIDENT.

(Sent 10.30 p.m., 15th November, 1933.)

TELEGRAM.

[*Answered by No.* 158.]

(Paraphrase.)

No. 59. YOUR telegram 27th October No. 64.* His Majesty's Government have had under consideration the present position in Southern Arabia and the desirability of postponing your mission to the Imam in view of possible reactions upon Saudi-Yemeni conflict, and upon Anglo-Saudi and Anglo-Italian relations if you proceed to Sana'a while the present tension between Ibn Saud and the Imam continues. His Majesty's Government have decided that balance of advantage lies in your proceeding immediately with arrangements for your proposed visit. You are therefore now given authority to send letter to the Imam in the terms of instructions contained in my Secret despatch of the 11th September.†

I approve the arrangements set out in your telegram of 25th October No. 62.‡ Please inform me by telegraph the provisional date on which Acting Resident should arrive and also the date on which you expect to leave Aden. On receipt of this information Secretary of State for India will consult Government of India and I will approach the Admiralty as to providing a sloop. I understand that Seager could only be spared up to the end of February, after which date his services will be needed at Jeddah for pilgrimage work. Please inform me whether this will be satisfactory and the date on which Seager should arrive at Aden. Foreign Office will then telegraph to Jeddah as His Majesty's Chargé d'Affaires there has not yet been consulted in this matter.

With regard to interpreter please see my telegram of 15th November, No. 278§ to High Commissioner, Palestine, repeated to you.

Detailed instructions leave by bag to-morrow.—CUNLIFFE-LISTER.

17957/33 [No.141].

No. 156.

THE SECRETARY OF STATE to THE RESIDENT.

(Sent 9.30 p.m., 15th November, 1933.)

TELEGRAM.

ADDRESSED to Aden No. 61. Secret. My telegram No. 59.‖ Negotiations with the Imam.

Italian Government are being kept informed of what is being done through His Majesty's Embassy in Rome, and relevant telegrams will, as far as possible. be repeated to you.

It is important that Italian Government should not receive from their Consul at Aden or from Governor of Eritrea possibly garbled or misleading accounts of policy of His Majesty's Government in south-western Arabia, which might appear not to harmonize with information given through His Majesty's Embassy.

It would therefore be preferable in any conversations which you may have with Italian Consul, to follow as closely as possible wording of communications which will be made in Rome. In any case it will be well to make sure that Italian Government first receive necessary information from His Majesty's Embassy and not through Italian Consul. As His Majesty's Government hope that Treaty may be concluded and peaceful evacuation of Audhali country by Imam thus secured, there seems reasonable probability of your not having to threaten use of force. In these circumstances His Majesty's Government consider it preferable that Italian Government should not be informed at this stage that you have authority to use this threat in event of failure of treaty negotiations, and you should carefully refrain from alluding to it. Repeated to Rome No. 364.—CUNLIFFE-LISTER.

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* No. 151. † No. 141. ‡ No. 147. § 17922/33 [No. 12] : not printed. ‖ No. 155.

17957/33 [No. 136].

No. 157.

THE SECRETARY OF STATE to THE RESIDENT.

(Sent 9.30 p.m., 15th November, 1933.)

TELEGRAM.

(Paraphrase.)

ADDRESSED to Aden No. 62. As you know, it is His Majesty's Government's settled policy to make every endeavour to bring about peaceful relations between the various rulers of Arabia, and under Conclusion 3 of the Rome Conversations of 1927 they are indeed pledged to use their influence in favour of pacification. When you arrive at Sana'a, if conflict between Ibn Saud and the Imam still continues, you should exert all your influence to induce the Imam to adopt a conciliatory and reasonable attitude, and to agree to an early and friendly settlement with Ibn Saud by negotiation. Repeated to Rome No. 365. Repeated to Jeddah No. 134.—CUNLIFFE-LISTER.

17957/33 [No. 145].

No. 158.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 5.53 p.m., 17th November, 1933.)

TELEGRAM.

No. 67. 17TH NOVEMBER. Your telegram No. 59 of the 15th November.* I will despatch letter to Imam to-morrow. I recommend provisionally that the Acting Resident should arrive at Aden on 13th December. I hope to get away on 15th December and I shall be grateful for a sloop to convey the mission on that date. I shall be glad if Seager can be sent here immediately to enable him to have time to study Protectorate affairs before we leave. I agree to his leaving Aden at the end of February if he is required at Jeddah then.

17957/33 [No. 156].

No. 159.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 1.30 p.m., 18th November, 1933.)

TELEGRAM

[*Answered by No.* 163.]

No. 69. 18TH NOVEMBER. Inquiry has been made by Reuter's Agent in Aden whether there is any objection to his informing Reuter that British Mission to the Imam is anticipated. It is already generally known here that Mission is likely to be going. Do you see any objection to this being done.

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* No. 155.

17957/33 [No. 148].

No. 160.

THE SECRETARY OF STATE to THE RESIDENT.

[*Answered by No.* 164.]

(Secret.)

SIR, Downing Street, 20th November, 1933.

I HAVE the honour to refer to my Secret despatch of the 11th of September,* and to inform you that His Majesty's Government have now considered the various modifications and amendments which the Imam has proposed in the draft Treaty. Mr. Champion commented upon these in his Secret despatch No. 162 of the 12th of July.†

2. I now enclose a memorandum embodying the conclusions of His Majesty's Government upon these various modifications and amendments. You should be guided by the comments made in this memorandum during the forthcoming negotiations. It will be observed that in a number of instances His Majesty's Government are prepared to accept the Imam's amendments, and that in others, though His Majesty's Government would prefer their own wording, you are given discretion to accept the Imam's amendments, if necessary. In certain instances, however, His Majesty's Government must insist upon the adoption of their own wording; the memorandum makes clear those instances in which this course must be followed.

In particular, I desire to draw your attention to the fact that the Imam's proposal for a secret appendix to the Treaty is wholly unacceptable.

3. I understand that you anticipate that if you succeed in concluding a Treaty with the Imam, the latter is very likely to inquire what facilities His Majesty's Government are prepared to grant to him for the purchase of arms from British sources, and you have asked that you should receive instructions on this point.

4. In this connexion it should in the first place be made clear that there is a basic difference between the grant of "special facilities" for the purchase of arms, &c., in this country, and the proposal that the existing embargo on the export to the Imam of arms purchased from private sources in this country should be removed. The question of the grant of special facilities is ultimately a financial one, since the only special facilities which would be of any practical use to the Imam would be either the supply of arms from Government stocks at a reduced price, or the supply of arms on special terms of long credit, &c., or free of charge. It would be quite impossible for His Majesty's Government, in existing circumstances, to consider the grant of such facilities. Moreover, as you are no doubt aware, King Ibn Saud recently applied to His Majesty's Government for similar special facilities for the purchase of arms, &c., and, after careful consideration, His Majesty's Government were obliged to refuse his request. It would obviously be impossible for political reasons to grant to the Imam facilities which have already been refused to Ibn Saud.

As regards the removal of the embargo, however, the position is quite different. As you are aware, the embargo on the export from this country to the Yemen of arms purchased from private sources was imposed solely as a result of the strained relations existing between His Majesty's Government and the Imam, since it would obviously have been undesirable that arms of British manufacture should have been exported to a Ruler by whom they might subsequently have been used against British forces. When the question of the possible removal of this embargo was discussed in 1928, it was agreed that, if a treaty were concluded with the Imam, the reasons which had led to the imposition of the embargo would no longer apply, and that it would therefore be only logical that the embargo should be removed. It was accordingly agreed that the British negotiators should be authorized to inform the Imam that on the conclusion of the Treaty he would be free to import arms, &c from this country, subject to the provisions of the Arms Traffic Convention (although that Convention is not actually in force), *i.e.*, for the use of his Government; and it was proposed that this communication should be embodied in an exchange of notes to be concluded simultaneously with the Treaty, on the analogy of the notes exchanged with Ibn Saud at the time of the signature of the Treaty of Jeddah. A copy of Command Paper 2951, which contains the text of the notes exchanged with Ibn Saud, is enclosed.

This conclusion does not appear at any time to have been reconsidered, and may therefore still be regarded as applicable to the present case.

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* No. 141. † No. 132.

On the other hand, a somewhat new element has been introduced into the situation by the acute conflict which has now developed between the Imam and King Ibn Saud. The outbreak of hostilities between these two Rulers may affect the policy of His Majesty's Government on the whole question of the export of arms to Arabia. As you are aware, His Majesty's Government are committed by their undertakings to the Italian Government in virtue of the Rome Conversations of 1927 to a policy of neutrality and impartiality as between Ibn Saud and the Imam. It is conceivable that the situation might so develop as to render it necessary for His Majesty's Government to consider the imposition of a new embargo against the export of arms to either of the two contending parties, and, although this contingency at present seems improbable, it may be necessary to bear it in mind in giving the Imam any undertaking regarding the removal of the embargo which is at present in force.

In these circumstances, I consider that at the present stage it will be preferable to inform the Imam that, if a satisfactory Treaty is concluded, and provided that no new and unexpected political development in Arabia renders it necessary for His Majesty's Government to reconsider their general policy regarding the export from this country of arms of private manufacture, the Imam will, after the conclusion of the Treaty, be in the same position as regards the purchase of arms, &c., from private sources in this country as any other independent Arab Ruler.

At the same time there would be no objection to your giving the Imam an undertaking—on the lines agreed upon in 1928, that His Majesty's Government, subject always to their international obligations, will be prepared, after the conclusion of a satisfactory Treaty, to render to the Imam such assistance in the selection of personnel or equipment or requirements for economic projects as he may require.

5. You have asked for guidance as to the attitude which you should adopt if the Imam raises the question of the Red Sea Islands. The position in regard to these Islands is as stated in paragraph 6 of your letter to the Imam of the 11th April, 1933.* You would not yourself, of course, raise the matter with the Imam, but if the Imam himself refers to this question, you may, while refusing to discuss the merits of the case, say that you will report to His Majesty's Government any observations which the Imam may make.

6. As India is also to be a party to the Treaty, two Full Powers from His Majesty the King will be required, one to enable you to sign for the United Kingdom of Great Britain and Northern Ireland, and the other to enable you to sign for India. These Full Powers were sent to you in my despatch Secret (2) of the 23rd of October.†

7. In connexion with the remarks in the Memorandum on Article III of the draft Treaty, I enclose for convenience of reference a copy of the Minutes of the Meeting of 7th March.‡ These minutes should on no account be taken outside a British possession.

8. If there are any points upon which you wish for further guidance or instructions either before you leave Aden or during the course of the negotiations, you will, no doubt, consult me by telegraph.

I have, &c.,
P. CUNLIFFE-LISTER.

Enclosure 1 in No. 160.

MEMORANDUM.

His Majesty's Government have considered the amendments of the draft Treaty proposed by the Imam of the Yemen in his letter to the Resident of the 20th June, 1933, and have reached the following conclusions. These conclusions are set out in the accompanying note and the Resident at Aden should be guided by them in his forthcoming negotiations with the Imam.

It has been decided that the Government of India shall be a party to the Treaty, and it will therefore be necessary to amend the preamble as follows:—

"Have resolved to conclude this Treaty and have appointed as their plenipotentiaries:

His Majesty the King of Great Britain and the British Dominions beyond the Seas, Emperor of India:

For Great Britain and Northern Ireland:

....

For India:

....

His Majesty the King of the Yemen, the Imam.

....

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* Enclosure in No. 131. † No. 146. ‡ No. 128.

Article I.

The Imam wishes to insert the words "and his Government" in this Article after both "His Majesty the King of Great Britain, &c.," and "His Majesty the King of the Yemen." There are serious objections to inserting either in the body of the Treaty or in any formal exchange of notes to be attached to it, any specific statement to the effect that the Treaty will be applicable to the Governments of the High Contracting Parties, since the effect of such a statement might well be to throw doubt on whether other treaties with Arabian Rulers made in the names of the Heads of States alone would in fact remain binding on the Governments of the States concerned. There can in fact, and in law, be no doubt that a treaty between Heads of States binds them, their successors, their Governments and succeeding Governments. The Head of the State in concluding a treaty contracts on behalf of, and binds, the State as a whole, as an entity, and no distinction between him and his Government exists in the matter. It would therefore be in the highest degree undesirable to admit even by implication that any such distinction could validly be drawn either in the case of His Majesty or of the Imam. Were His Majesty's Government now to acquiesce in the Imam's demand that any of His Majesty's Governments should be specified in terms either in the Treaty or in notes to be attached to it, as being bound by the Treaty as well as the King himself, it is possible that other Governments might raise similar questions in connexion with existing treaties, particularly those with other Arabian Rulers.

On the other hand, if, through ignorance of international law and practice in this matter, the Imam requires some special reassurance on this point, the Resident is authorized to address a note to the Imam in the terms of the attached draft, provided that it is made absolutely clear to the Imam that this note does not impose any obligation on either party additional to that contained in the text of the Treaty, or indeed add anything at all to what will in any event be the effect of the Treaty, but that it is merely a document intended to explain what, according to established law and practice, is the meaning and effect of any treaty to which His Majesty, as Head of the State, is a party on behalf of the United Kingdom and India, viz., that it is necessarily binding on His Majesty's Government in the United Kingdom and Northern Ireland, and upon the Government of India.

Article III.

Minutes of Middle East Official Sub Committee Meeting of 7th March, 1933*.

The Imam wishes to omit the words "of the territories of His Majesty the King of the Yemen." For reasons which have been fully explained in previous correspondence it is essential that these words should be reinserted and the Resident should insist on this. In this connexion attention is invited to the views expressed by the Foreign Office representative at the meeting of the Middle East Official Sub-Committee on 7th March.

The Imam has omitted the words "by persons under their protection." The Imam's omission may be accepted or alternatively the words "by their subjects or" may also be omitted if the Imam so desires

Article IV.

The Imam wishes to substitute the phrase "general international principles" for the phrase "the principles of general international practice." This amendment may be accepted.

Article V.

The Imam has omitted from paragraph 1 the words "from the date of the coming into force of the present Treaty." His Majesty's Government are advised that the legal position would be unchanged whether these words are retained or not, since it is clear that the obligation will apply as from the date specified in Article VII for the coming into force of the Treaty as a whole While, therefore, the retention of the words might be of some slight advantage to His Majesty's Government, as possibly avoiding ambiguity in the event of the benefits of the Treaty being claimed in a case which had arisen before its entry into force but was still outstanding at that date, it is considered that it is hardly worth embarking on an argument with the Imam on a purely formal point of this nature, which has little substantive importance. Unless, therefore, there is reason to believe that the Imam desires the omission of these words in order to avoid some obligation under the Treaty, the Resident may agree to the proposed omission.

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* No. 128.

In paragraphs 1 and 2 the Imam has substituted the phrase " each of the High Contracting Parties " for the phrase " one High Contracting Party." This amendment may be accepted.

In paragraph 1 the Imam has inserted the words " and judgments " for the words " local laws." The Resident should ask the Imam to explain why he made this insertion, and if the Resident is satisfied that the reasons are innocuous, he may agree to the insertion of some phrase such as the Imam suggests. His Majesty's Government are advised, however, that it would be preferable that the words " and courts " or " and tribunals " should be used rather than " and judgments," as giving effect more accurately to what they understand to be the meaning of the Imam's proposal.

The Imam has omitted the provision in paragraph 1 to the effect that the subjects of one High Contracting Party shall receive treatment no less favourable than that enjoyed by the subjects of the other High Contracting Party. For this, he has substituted words which provide that the subjects of each of the High Contracting Parties shall receive equal treatment to that enjoyed by the subjects of a most-favoured power; he has, in fact, preserved most-favoured-nation treatment, but omitted national treatment. His Majesty's Government consider it preferable that this paragraph should provide for national as well as most-favoured-nation treatment, and the Resident should endeavour to get the Article amended accordingly, but if he is unable to persuade the Imam to agree to this, the Resident may accept the Imam's proposal. Reference is invited in this connexion to the Secretary of State's Secret despatch of the 13th October, 1932.

The Imam wishes to omit the whole of paragraph 3. This paragraph is necessary to ensure, *inter alia*, that, while the privileges granted in paragraphs 1 and 2 in respect of British subjects, vessels, &c., apply to all British subjects, vessels, &c., from whatever part of the British Commonwealth of Nations they may come, the privileges granted to Yemen subjects, vessels, &c , do not apply in the territories of the Dominions. His Majesty's Government in the United Kingdom are bound by inter-Imperial obligations to endeavour to secure that in treaties made between His Majesty's Government in the United Kingdom and foreign Powers, benefits of the nature of those conferred by Article V should be extended to British subjects and vessels generally, and to make it clear by definition in the Treaty that the benefits are so extended. Paragraph 3 is necessary also in order to make it clear that the privileges granted by the Imam apply to all persons under His Majesty's protection, that is to say, *inter alios*, to inhabitants of the Aden Protectorate. His Majesty's Government must insist, therefore, that this paragraph should be reinserted.

In paragraph 2 the Imam has substituted the words " in the ports of the other " for the words " in the ports of the territories of the other." This amendment must be read in conjunction with the proposed omission of paragraph 3. The phrase " in the ports of the other " might possibly be interpreted to include Dominion ports. The phrase " in the ports of the territories of the other " by virtue of the definition of the word " territories " (on the inclusion of which, as stated above, His Majesty's Government must insist) cannot be so interpreted, and must for that reason be adopted.

The Imam has also omitted the words " and their passengers " from paragraph 2. The intention in these words is to make it clear that in the case of a vessel of one of the High Contracting Parties calling at the ports of the other High Contracting Party with passengers of a foreign State on board, those passengers would not receive less favourable treatment in the port than if those passengers were travelling on a vessel of their own or any other nationality. The inclusion of these words is intended to secure that passengers in British ships shall not, because they are carried in British ships, be less favourably treated in a port of the Yemen than they would be, had they been carried in a vessel flying the flag of any other country. These words must, therefore, be retained.

Article VIII.

His Majesty's Government's draft proposes that the English and Arabic texts shall have equal force, whereas the Imam wishes the Arabic text to prevail in case of doubt. His Majesty's Government are inclined to think that if the more serious difficulties which the Imam has raised in regard to other Articles of the Treaty are successfully overcome by negotiation, it is unlikely that the Imam will go to the length of refusing to conclude a treaty merely because the language question remains

unsettled. Both in the Treaty of Jeddah of 1927 with King Ibn Saud and in the Treaty of Alliance with 'Iraq of 1930, it is provided that in case of a divergence between the English and Arabic text of the Treaty, the English text shall prevail, and His Majesty's Government feel that there would hardly be sufficient justification to treat the Imam in this matter more favourably than King Ibn Saud or King Feisal of 'Iraq, particularly as to do so would create an unfortunate precedent in a matter which is of considerable importance on grounds of general principles and policy. For these reasons, His Majesty's Government are not disposed to make a concession on the point of language, but, if the other outstanding questions are all successfully settled and the negotiations appear likely to break down on this issue alone, the Resident should refer by telegraph to His Majesty's Government for further instructions.

Secret Appendix.

This is wholly unacceptable and must be omitted

Enclosure 2 in No. 160.

Draft Note from the British Resident at Aden to the King of the Yemen.

YOUR MAJESTY,

WITH reference to the question which arose in the course of the negotiations for the Treaty of Friendship and Mutual Co-operation which we have signed this day, I have the honour to inform Your Majesty that all Treaties concluded by His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, in respect of Great Britain and Northern Ireland and in respect of India are deemed to be binding in every respect upon His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland and upon the Government of India.

17957/33 [No. 164].

No. 161.

To

[1] CANADA.
[2] COMMONWEALTH OF AUSTRALIA.
[3] NEW ZEALAND
[4] UNION OF SOUTH AFRICA.
[5] IRISH FREE STATE.

from

THE SECRETARY OF STATE FOR DOMINION AFFAIRS

(Copy received in Colonial Office, 24th November, 1933.)

(Circular B. No. 55.)
(Secret.)

[SIR,] [MY LORD,] Downing Street, 23rd November, 1933.

WITH reference to my Secret despatch Circular A. No. 73 of the 11th May, 1932,* I have the honour to state that, as a result of further correspondence with the Imam of the Yemen it has been decided that there is sufficient prospect of agreement to justify a visit from the Resident at Aden to Sana'a with the object of concluding a treaty with the Imam, and he has accordingly been instructed to address to the Imam a communication to the effect that he is prepared, subject to certain conditions, to proceed to Sana'a to conclude a treaty when the Imam will receive him.

2. It may be convenient at this stage to give a brief history of the relations of His Majesty's Government in the United Kingdom with the Imam since the termination of the War.

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* No. 344 in Dominions No. 130.

3. The Imam of the Yemen is the head of the Zeidi sect of Islam and the ruler of a large territory in south-west Arabia immediately north of the Aden Protectorate. The Yemen was under the Turks from 1871 to 1918, and in 1903-05, the boundary between the Aden Protectorate and the Yemen was delineated with the Turks in a series of agreements, which, in 1914, were combined in one convention. At the end of the War in 1918, Turkish forces were still in occupation of parts of the Aden Protectorate. They were never ejected by force, but were negotiated out after the armistice, and their place in the Yemen was taken by the Imam.

4. The Imam has consistently refused to recognize the Anglo-Turkish boundary, and in 1919 he commenced his encroachments into the Aden Protectorate, taking Dhala. In 1924 Zeidi tribes occupied the upper country of the Audhali tribe (which is under British protection by virtue of a Treaty signed in 1914), and invaded the lower Audhali country in 1925. The Imam's forces were immediately dislodged from the lower country by air action but efforts to recover the upper part were unsuccessful. This failure was due partly to a lack of co-operation on the part of the Audhalis themselves, and partly to the inadequate air forces then available at Aden.

5. Hostilities were suspended in 1926 and the late Sir Gilbert Clayton was sent to Sana'a (the Imam's capital), where he endeavoured to negotiate a treaty with the Imam, but the negotiations broke down on the question of evacuation of the occupied Protectorate Territory.

6. Early in 1927 a serious warning was given to the Imam, through the Resident at Aden, that his occupation of part of the Aden Protectorate rendered him liable at any time to such measures of retaliation by land, air, or sea, at such time and in such manner as His Majesty's Government in the United Kingdom might deem suitable. The Imam's reply to this warning was pacific, and included an offer to resume negotiations for a treaty. It was eventually decided to pursue the method of negotiation, but to make the evacuation of the occupied Protectorate territory a prerequisite to the signing of any treaty.

7. In spite of this decision, it was found necessary in 1928 to take air action against the Imam in the Dhala area as a result of the kidnapping of two Protectorate Shaikhs by Zeidi forces. Various towns in Yemen territory were bombed, as also were the frontier garrisons; the Protectorate tribes assisted, and in two months the whole of the Dhala area was evacuated by the Zeidis except for a small piece of territory in the vicinity of Sanah (see my predecessor's telegram Circular B. No. 28 of the 14th April, 1928*) [*To* [5] *only*: of which a copy was enclosed in his Secret despatch of the 16th April, 1928†].

8. Small incursions have occurred at other points, *e.g.*, the Al Ain area in the north-east of the Protectorate, when a threat of bombing was resorted to, and this proved sufficient to induce the Zeidi forces to withdraw.

9. Recently, this year, a further incursion was made into the Subeihi territory in the south-west corner of the Aden Protectorate by Zeidi troops and Yemeni tribesmen, and a number of prisoners, sheep, and camels seized. As a result, however, of the delivery of an ultimatum threatening air action, satisfactory restitution has been made and the Subeihi territory evacuated.

10. Since 1925 the policy of His Majesty's Government in the United Kingdom has therefore been that, apart from further incursions into Protectorate territory or any other provocation by the Imam, such as interference with Protectorate tribesmen, evacuation of the occupied Protectorate territory should be secured by negotiation. They have, however, always insisted that the *signature* of the Treaty must be preceded by three things, namely:—

(*a*) the evacuation of occupied Protectorate territory;
(*b*) the release of a number of Protectorate tribesmen who were captured in the Audhali country and are still prisoners with the Imam; and
(*c*) the removal of the embargo which the Imam has, since 1932, placed on trade between the Yemen and the Protectorate.

The Imam has now in effect expressed his willingness to carry out these three conditions, if a treaty is concluded.

* D. 3927/28: not printed. † D. 3927/28: not printed.

11. The chief obstacles to the conclusion of the Treaty have been:—

(*a*) the consistent attempt of the Imam to introduce into the text some form of wording which will enable him to claim at least some portion of the Aden Protectorate (if not the whole, including Aden itself) as part of his ancestral domain;
(*b*) his claim to sovereignty over certain islands in the Red Sea.

The Imam's claim to portions of the Aden Protectorate is not admitted, while the sovereignty of the Red Sea islands, which raises international questions under the Treaty of Lausanne, is not within the competence of His Majesty's Government in the United Kingdom to decide. With regard to the latter question, however, the Imam has now been informed that "His Majesty's Government in the United Kingdom will be ready to bear in mind any views he may wish to put forward with regard to the islands at the southern end of the Red Sea referred to in Article 16 of the Treaty of Lausanne, if at any time the status of these islands is under consideration."

12. While efforts to reach a basis for the conclusion of a treaty with the Imam have made progress, the position has lately been complicated by a serious deterioration, which might at any time lead to hostilities, in the relations between Ibn Saud and the Imam. The chief points at issue between these two rulers concern Asir, which lies between the Hejaz on the north and the Yemen on the south, and Nejran, which is a vaguely defined region to the east of Asir. The ruler of Asir, the head of the Idrisi family, accepted in 1926 [*To* [1]-[4]: (see my predecessor's telegram of the 2nd February, 1926*)] [*To* [5]: (see my predecessor's Secret despatch of the 3rd February, 1926†)] the suzerainty of Ibn Saud, who assumed control of foreign affairs and finance but left to the Idrisi the conduct of the internal administration: in 1930 the Idrisi by a further agreement with Ibn Saud in effect accepted the complete incorporation of Asir into Ibn Saud's territories, retaining himself a merely nominal position. The Imam, on the other hand, has since long before these events, maintained a claim to at least the southern part of Asir. In the winter of 1932-33 the Idrisi rebelled, as a result, it is believed, of disputes with the Saudi Governor of Asir. The Imam was suspected of covertly assisting the rebels, but outwardly maintained a correct and even conciliatory attitude. The rebellion was finally suppressed in the spring of 1933 and the Idrisi took refuge in the Yemen; Ibn Saud consenting after discussion with the Imam to allow the Idrisi to remain there and to give him a pension. The immediate cause of the present crisis seems to have been a Yemeni invasion of Nejran, which began in June last. The political allegiance of the Nejran tribes is uncertain but Ibn Saud claims, and the Imam denies, that an oral agreement was reached between them in 1927 in respect of this region. Yemeni penetration of Nejran continued throughout the summer, in spite of Ibn Saud's repeated efforts to induce the Imam to negotiate a comprehensive settlement. Ibn Saud's principal demands are three:—

(*a*) a frontier settlement between Saudi Arabia and the Yemen;
(*b*) the extradition of the Idrisi, whom Ibn Saud believes the Imam to be using as a figurehead for his own further designs on Asir;
(*c*) the evacuation of Nejran to be followed by an agreement regulating Saudi-Yemeni relations there.

The present position appears to be that the Yemeni troops in Nejran have now advanced until they constitute a threat to Asir from the east: at the same time other Yemeni forces are said to be concentrating on the southern frontier of Asir. In reply to this concentration Ibn Saud is collecting in Asir a great proportion of his available forces. The Imam has hitherto shown no signs of willingness to negotiate, and Ibn Saud has stated that if he fails to obtain satisfaction from the Imam in the near future, he will issue an ultimatum, as soon as the Saudi military preparations are complete.

13. It will be remembered that the Italian Government regard themselves as having a special interest in the affairs of south-west Arabia, and that in 1927 [*To* [1]-[4]: (see my predecessor's Secret telegram of the 5th March, 1927‡)] [*To* [5]: (see my predecessor's Secret despatch of the 8th March, 1927§] an agreement was reached with them to the effect *inter alia* that the two Governments should endeavour to use their influence with the Imam, Idrisi, and Ibn Saud with a view to eliminating causes of conflict between those Chiefs, but that they would not intervene in any conflict which might break out between them. To this end His Majesty's Government

* D. 251/26: not printed. † D. 251/26: not printed. ‡ D. 1697/27: not printed.
§ D. 1697/27: not printed.

in the United Kingdom have throughout the present crisis used their influence to urge counsels of moderation on Ibn Saud and the Italian Government have undertaken to act in a similar sense at Sana'a. His Majesty's Government in the United Kingdom have had to consider the question of treaty negotiations with the Imam in the light of the 1927 arrangement, and in particular in the light of the possibility that the visit of the Resident at Aden to Sana'a, if hostilities were to break out between the Imam and Ibn Saud, might on the one hand be taken by Ibn Saud to indicate sympathy with the cause of the Imam, and on the other might confirm Italian suspicions that advantage was being taken of the Imam's difficulties. Instructions have accordingly been issued to His Majesty's Representatives concerned to acquaint the Italian Government and Ibn Saud with the true position and to assure them at the same time that, although the visit of the Resident will have no direct connexion with the Saudi-Yemeni conflict, he will use his best efforts when at Sana'a to prevent an outbreak of hostilities if they still threaten.

14. The crisis between Ibn Saud and the Imam has been continuously discussed with the Italian Government as it developed. An incidental result of these discussions has been to accentuate the existing difference of view between the two Governments in regard to the status of Asir. It was decided by His Majesty's Government in the United Kingdom, in 1931, as a result of an examination of the point, that since the Idrisi, as an independent ruler, was perfectly entitled to make over his territories to Ibn Saud, if he desired to do so, Asir must be regarded as having become *de facto* and *de jure* an integral part of Ibn Saud's dominions. In deference, however, to the views of the Italian Government, who did not recognize Ibn Saud's position in Asir and endeavoured to persuade His Majesty's Government in the United Kingdom not to do so, no formal intimation of their recognition of that position has been made by the United Kingdom to the Saudi Arabian Government, although correspondence has been conducted with them on matters connected with Asir. During the present crisis the Italian Government have suggested that the decision of the United Kingdom Government as to Ibn Saud's sovereignty over Asir should be reconsidered, but it is being made clear to them that, at any rate so far as concerns the area over which the Idrisi held sovereignty at the time of his Treaty of 1926 with Ibn Saud, His Majesty's Government in the United Kingdom cannot depart from their previous attitude.

15. The Italian Government have suggested that the whole situation in Arabia should be discussed on the basis of the 1927 conversations (see my [*To* [1]-[4]: telegram [*To* [5]: despatch] referred to in paragraph 13 above), and a reply has been sent to the effect that His Majesty's Government in the United Kingdom are prepared to agree, but they would welcome further information as to the points to be discussed, and assume that the conclusions of the Rome conversations of 1927 are to remain unaffected. The reply restates the attitude of His Majesty's Government in the United Kingdom regarding Asir as outlined in the preceding paragraph.

I have, &c.,
J. H. THOMAS.

17957/33 [No. 167].

No. 162.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 2.27 p.m., 27th November, 1933.)

TELEGRAM.

(Paraphrase.)

27TH NOVEMBER. No. 74. Reference my telegram No. 67.*

Have received reply from Imam welcoming my visit at the time proposed. When will Seager arrive at Aden?

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* 17957/33 [No. 163]: not printed.

17957/33 [No. 177].

No. 163.

THE SECRETARY OF STATE to THE RESIDENT.

(Sent 3.45 p.m., 28th November, 1933.)

TELEGRAM.

No. 74. YOUR telegram No. 69.* In view of the Imam's favourable reply you may use your discretion as to issuing an announcement concerning your visit to Sana'a.
—CUNLIFFE-LISTER.

17957/33 [No. 185].

No. 164.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 2.30 p.m., 4th December, 1933.)

TELEGRAM.

[*Answered by No.* 166.]

4TH DECEMBER. No. 77. I received your despatch of the 20th November† yesterday. I earnestly request that instructions regarding Article 8 of Treaty may be reconsidered. No one in authority at Sana'a has knowledge of English language, and I am convinced that Imam will refuse to agree that Arabic text should be over-ridden by one in language which neither he nor any of his officials understand. I submit that the special conditions of a secluded and ultra conservative State such as the Yemen should be taken into account, and that procedure adopted in dealing with such a State need not be regarded as precedent when dealing with more sophisticated Governments whose international contacts are larger. I therefore strongly recommend reversion to instructions on this point contained in paragraph 12 of your despatch of the 14th April, 1932.‡

17957/33 [No. 192].

No. 165.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 11th December, 1933.)

(Confidential.)
(No 287.)

SIR, The Residency, Aden, 29th November, 1933.

I HAVE the honour to refer to the correspondence ending with your telegram No. 68 of the 22nd November, 1933,§ on the subject of the proposed mission to Sana'a, and to enclose herewith translations of my letter of the 18th November, 1933, to the Imam, of his telegraphic reply of the 23rd November, 1933, received via Taiz, and of my acknowledgment thereof despatched through the same channel.

2. The mention in the Imam's telegram of the "meeting to be held at Perim" refers to an arrangement that had provisionally been made, at the suggestion of the Officer Commanding, Taiz, at the time of the recent Subeihi incidents, that he should meet the Political Secretary at some convenient place near the frontier (later fixed at Perim) to discuss a number of outstanding matters concerning inter-tribal relations on the Protectorate boundary facing the District of Taiz. The Yemeni authorities do not wish to proceed with this proposal, and it is in my opinion inexpedient now to press them to do so.

I have, &c.,
B. R. REILLY,
Resident, &c.

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* No. 159. † No. 160. ‡ No. 278 in Middle East No. 34. § 17914/33 [No. 49]: not printed.

Enclosure 1 in No. 165.

His Highness Imam Yahya bin Muhammad Hamid Ud Din,
Sana'a.

After compliments,
YOUR HIGHNESS, The Residency, Aden, 18th November, 1933.

I HAVE the honour to refer to Your Highness's letter of the 25th Safar 1352 (20th June, 1933) on the subject of the proposed Treaty, and to inform you that I have been authorized by His Majesty's Government to visit Your Highness in Sana'a for the purpose of concluding this Treaty.

In order, however, that there may be no possibility of misapprehension in Your Highness's mind, I am directed to explain that however satisfactorily our direct and personal negotiations may proceed, they cannot be consummated by the Act of signature of the Treaty unless Your Highness shall previously have removed all restrictions on overland trade between the Yemen and Aden, and restored and surrendered all the territories and subjects of the Chiefs who are in treaty relations with His Majesty's Government, especially the territories of the Amir of Dhala' in the vicinity of Sanah, and the territories of the Audhali Sultan at Adh Dhaher, and the subjects of the latter Chief, and of the Chiefs of Beihan, without damage or detriment to property or person.

I desire, moreover, to make it clear to Your Highness that although I have been authorized to discuss with you certain variations of wording in the text of the Treaty which was put forward in Your Highness's letter of the 25th Safar 1352, to which I have referred, His Majesty's Government cannot agree to any form of secret annexe such as was suggested by Your Highness.

Having made these conditions clear to Your Highness I now have much pleasure in notifying you of my readiness to proceed to Sana'a at an early date; and subject to Your Highness's convenience and consent I would propose to leave Aden by sea on the 15th December, 1933 (27th Shaban 1352), to arrive at Hodeida on the following day and to proceed onwards by car immediately, arriving at Sana'a on the 19th December, 1933 (2nd Ramadhan 1352). I propose to bring with me Mr. Champion, the Political Secretary, and another British officer and personal staff and attendants to the number of about 11 persons. If these proposals meet with Your Highness's approval I would suggest that the details in regard to transport and other necessities and arrangements for my journey should be settled in direct correspondence between the Political Secretary and Your Highness's Governor at Hodeida.

I shall be glad if Your Highness will favour me with your reply at the earliest possible moment, and by the quickest means, viz., by telegraph via Taiz, or Perim, in order that I may complete the preparations necessary for my journey and for my absence from Aden.

I have the honour to convey to Your Highness the expression of my sincere satisfaction at the possibility of our early meeting, and my earnest hope that it will result in a complete and honourable settlement

B. R. REILLY,
Resident and Commander-in-Chief.

Enclosure 2 in No. 165.

TELEGRAPHIC MESSAGE.

FROM IMAM YEHIA BIN MUHAMMAD HAMID UDDIN, TO HIS EXCELLENCY THE RESIDENT, ADEN.

Dated 5th Shaban 1352 (23rd November, 1933).

WE have received your esteemed letter No. 643 of 30th Rajab 1352 (18th November, 1933), and are thankful to you for the explanation given therein.

We say nothing other than "welcome," and we welcome your visit at the time fixed by you and even though it will be in the days of Ramazan which may be inconvenient; yet it behoves your benevolence to show foregiveness. We will be waiting to receive Your Excellency with honour together with those whom you wish to bring with you.

We have now ordered our son, Seif al Islam Abdulla bin El Imam, at Hodeida, to be ready to attend to all that you communicate to him. Such being the case, there remains no necessity for the meeting to be held at Perim. By the will of God and your good endeavours and sincerity there will, as you have said, be a full and honourable settlement.

Please accept our best respects, esteem, and honour.

Enclosure 3 in No. 165.

TELEGRAPHIC MESSAGE.

FROM THE RESIDENT, ADEN, TO HIS HIGHNESS IMAM YAHYA BIN MUHAMMAD HAMID UD DIN AL MUFAKHAM.

Dated 27th November, 1933.

I HAVE the honour to acknowledge receipt of your esteemed telegram of the 5th Sha'ban and to express to Your Highness my high satisfaction that we shall meet so soon and my sincere thanks for your kind welcome. I shall communicate with your son, Seif al Islam 'Abdulla, at Hodeida. I agree that the Perim meeting can be cancelled. I reciprocate your sincere wishes for a complete and honourable settlement Inshallah.

17957/33 [No. 195].

No. 166.

THE SECRETARY OF STATE to THE RESIDENT.

(Sent 12.30 p.m., 14th December, 1933.)

TELEGRAM.

(Paraphrase.)

No. 83. IN view of considerations which you have put forward in your telegram No. 77,* His Majesty's Government agree that the instructions in paragraph 12 of my despatch of 14th April, 1932,† may stand.—CUNLIFFE-LISTER.

18280/33 [No. 14].

No. 167.

THE ANTI-SLAVERY AND ABORIGINES PROTECTION SOCIETY

to

FOREIGN OFFICE.

(Copy received in Colonial Office 20th December, 1933.)

Denison House, 296, Vauxhall Bridge Road,
SIR, S.W.1, 15th December, 1933.

THE attention of our Committee has been drawn to a published statement that His Majesty's Government is about to enter into a Treaty of Friendship with Zaidi Imam Yahya of the Yemen, and that Colonel Reilly is about to leave for this purpose.

In this connexion, we beg leave to remind you of the recent Treaty‡ carried through by Sir Gilbert F. Clayton, with the King of the Hejaz, in which he agreed to co-operate with His Majesty's Government in the task of suppressing the slave-trade.

Our Committee ventures to express the hope that it may be possible to secure in this new treaty some definite commitment by the Imam Yahya with regard to (*a*) the abolition of slave-trading, (*b*) the ownership of imported slaves, (*c*) the gradual suppression of any system of domestic slavery.

We have, &c.,
TRAVERS BUXTON,
Hon. Secretary
JOHN HARRIS,
Parliamentary Secretary.

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* No. 164. † No. 278 in Middle East No. 34. ‡ Cmd. 2951, 1927.

17957/33 [No. 224].

No. 168.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 9.47 a.m., 25th December, 1933.)

TELEGRAM.

[*Answered by No.* 170.]

25TH DECEMBER. No. 82. Reference your telegram of 22nd December. Following is repeated from Mission. Mission given very good reception on arrival at Sana'a on 18th December and negotiations now proceeding. I anticipate receiving inquiries about method and time of ratification of Treaty. Should be glad to learn how and when ratification will be effected if Treaty is concluded shortly.

17957/33 [No. 238].

No. 169.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 12.20 a.m., 30th December, 1933.)

TELEGRAM.

30TH DECEMBER. No. 84. Following from Colonel Reilly. Position of negotiations is as follows :—With two exceptions agreement has been reached on whole Treaty, except Article 7, on terms authorized by your instructions and the Imam has so far made no reference to secret appendix. Two exceptions are, first in Article 3 Imam will only accept words " southern frontier of Yemen " and not fuller phrase (?) required in your memorandum which he maintains is inappropriate to position of Imam as elected ruler and not hereditary owner of territory in question and is dangerous to his prestige and sovereign interest. I am reluctant to embark on further arguments regarding this Article which has for many years been principal stumbling block to the Treaty unless point at issue is vital. In my opinion words preferred by Imam are acceptable for reason stated in paragraph 2 (*a*) of my despatch No. 208 dated 21st October, 1931,* and because it is also evident from three references to frontier in second part of same Article that land boundary with Aden Protectorate is meant. Second exception is that in Article 5 (3) (*c*) Imam wishes to insert word " merchant " in definition of vessels. He explains that his Treaties with other European Powers include clauses similar to Article 5 (2) which are understood to refer only to merchant vessels and that he fears that if he accepts wider interpretation in British Treaty other Governments will demand revision in same sense.

I assume from context that Article in question refers to merchant vessels and I propose therefore to assent to insertion of words " merchant " in definition.

Do you agree regarding these two points? I shall be glad of very early reply.

17957/33 [No. 233].

No. 170.

THE SECRETARY OF STATE to THE ACTING RESIDENT.

(Sent 3.30 p.m., 30th December, 1933.)

TELEGRAM.

No. 89. YOUR telegram No. 82.† Following for Reilly. If Treaty is concluded text would need to be examined here and by Government of India and certain formalities complied with before it could be ratified by the King. Some weeks at any rate must therefore elapse before King's instrument of ratification could be ready for exchange against corresponding document signed by Imam.

* No. 264 in Middle East No. 34. † No. 168.

As to place of exchange, while no fixed procedure exists, it is very common practice where negotiations have taken place in territory of one party for exchange of ratifications to be carried out in territory of other party. Aden would therefore be most suitable place, but some convenient place in Imam's dominions or even outside territories of either party, *e.g.*, Cairo, could be accepted if necessary.—CUNLIFFE-LISTER.

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2. YEMENI INCURSIONS INTO PROTECTORATE TERRITORY.

17962/33 [No. 10].

No. 171.

THE RESIDENT to THE SECETARY OF STATE.

(Received 8.30 p.m., 14th August, 1933.)

TELEGRAM.

[*Answered by No.* 180.]

(Paraphrase.)

14TH AUGUST. No. 37. With reference to my despatch No. 182 of the 2nd of August,* relative to the situation on south-west Subeihi border I have received reliable information to the effect that fifty Zeidi troops with four hundred Yemeni tribesmen occupied Am-Nabia on the 21st of June. From Am-Nabia they have raided Am-Ildidiya and in the direction of Ras-Al-Ara. Sheikh Nabia and twelve other Subeihis have been removed forcibly to Mocha, and one hundred and fifty sheep and twenty camels have been looted. A British subject who desired to anchor his dhow and land at Bir Sukaiya has been prevented by threats of force by a Zaidi patrol from Nabia (?). Present hostile strength is believed to be eleven. I have gained the impression that these incidents has been tax-collecting raids similar to former inroads, and that they do not constitute an organised military occupation, but the number of prisoners, the depth of the penetration and the (?) interference with the (?) coast make this encroachment more serious than any since the Turan affairs of 1927, regarding which please see Resident at Aden's telegram No. 72 of the 29th of August in that year and following correspondence.

Owing to the nature of these aggressions to the delay of the Subeihi Chiefs in reporting them, and to the situation described in my despatch under reference, I have not thought it desirable to address the Imam. I have, however, sent a strong protest to the Imam's representative at Taiz demanding (1) the withdrawal of all Yemeni soldiers and all Yemeni tribesmen to the west of a line running from Husn Murad to Jebel Kahabub, (2) the release of prisoners, (3) the restoration of the looted animals within a week from receipt of my letter. I have warned him that in the event of his failing to comply it will be necessary for me to " consider taking a more serious view of the matter." I contemplate action in the event of non-compliance by definite ultimatum to officer commanding at Taiz, and by subsequent bombing of that town and other suitable objectives after customary warning if necessary. Six years ago in Turan similar action was immediately successful. May I be authorized to proceed as proposed? Air Officer Commanding concurs.

17962/33 [No. 41].

No. 172.

(Secret.)

EXTRACT FROM POLITICAL INTELLIGENCE SUMMARY No. 345 FOR THE WEEK ENDING THE 22ND AUGUST, 1933.

* * * * * * * * * * .

2492. (Reference paragraph 1479.) A reply has been received from the Officer Commanding Taiz to the letter of protest addressed to him by the Residency, to the effect that he had no previous knowledge of the incidents mentioned, but that he

* No. 205.

would make inquiries and had ordered the release of the prisoners (if any) at Mocha. He suggested that tribal disputes existing between the Subeihis (within the Protectorate border) and the inhabitants of Moz'a (in the Yemen) may have been the cause of the alleged looting of Subeihi animals. He added that he had issued orders for the restoration of the looted animals, that there were no Imamic soldiers at Am-Nabia, and that the report regarding the intended occupation of Ras Al'Ara by the Zeidis was unfounded. He suggested that representatives might be detailed by both His Highness the Sultan of Lahej and himself to inquire into and adjust inter-tribal troubles that may have occurred in the area and to make arrangements to put a stop to such incidents in future.

A detachment of the Aden Protectorate Levies under a British officer proceeded to Ras Al'Ara on the 18th August and are making reconnaissances in the area to keep at watch on developments. The Acting Resident accompanied by the Officer Commanding, British Forces in Aden, visited the detachment by air on the 21st August (*en route* to Perim) and received reports that the Imamic authorities had already shown signs of complying with the demand to withdraw and to restore prisoners and stock. Exact confirmation of these reports is still being sought by the reconnaissance patrol.

2493. (Reference paragraph 2480.) The Upper Yafa' Sultan and the Saqladi Sheikh of Sha'ib have come down to Aden to tender their apologies for the hostile incursion made by Sultan Salih Bin 'Umar into Rubei'atein.

In order to prevent an attack by the Zeidis on Sha'ib, the Officer Commanding Qa'taba was informed by the Residency that the minor raid by Sultan Salig bin 'Umar on Rubei'atein, was made without the knowledge of this Residency and in direct disobedience of repeated orders and that he has in response to severe reprimand withdrawn his party from Rubei'atein; that the Residency does not approve that there should be disturbance in the Rubei'atein area but that if any aggression is made against the Protectorate, the Residency will assist the Protectorate tribes in every possible way

2494. (Reference paragraph 2481.) The 'Audhali Sultan has replied that in compliance with the Residency's orders, he has compelled Ahl Barkan to return to Adh Dhahir.

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17962/33 [No. 17].

No. 173.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 5.38 p.m., 5th September, 1933.)

TELEGRAM.

[*Answered by No.* 180.]

(Paraphrase.)

5TH SEPTEMBER. No. 43. My telegram No. 37 of 14th August.* I have received from the Officer Commanding, Taiz, two friendly conciliatory letters.

The first one sent immediately after the receipt of my letter expressed ignorance of the incident, and affirmed that the restoration of prisoners and loot had been ordered by him; the Sultan of Lahej had been also similarly addressed by him. The second letter dated five days later repeated pacific intention, notified withdrawal of armed force from Am-Nabia and repeated the assurance that all captives and stock had been restored.

In spite of this, however, the officer in charge of reconnaissance party, Aden Protectorate Levies who returned on the 28th August after 10 days' patrol in the area stated that although the Zeidies have with drawn and that the kidnapped tribesmen have been released, the Sheikh of Am-Nabia's son is retained as a hostage and no looted property has been returned, and that a motor track to Am-Nabia had been prepared by the Governor of Mocha. Yesterday I received a report that headman of latter village and of Birsukaiya had received a summons by messenger on 31st August to appear to representative of Imam at Mocha, and that neither hostage nor booty had yet been released from there.

* No. 171

I await latest news of situation from agent expected to return shortly. If news is unsatisfactory I propose, in view of the amicable though unfulfilled undertakings by Taiz, to address him again and insist on full restitution. I urgently request sanction for air action previously recommended in case he further delays or refuses compliance.

17962/33 [No. 28].

No. 174.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 3.15 p.m., 10th September, 1933.)

TELEGRAM.

[*Answered by No.* 180.]

(Paraphrase.)

10TH SEPTEMBER. No. 45. Penultimate sentence of my telegram of the 5th September, No. 43.* Agent reports that 19 camels and 386 goats have been redeemed on aggregate payments of 384 dollars. Five camels, 4 rifles, and other articles worth 400 dollars not yet restored, nor any compensation paid for two cows and 14 goats which raiders slaughtered. Son of the Sheikh still held as hostage. I have therefore written again to Taiz.

17962/33 [No. 35].

No. 175.

FOREIGN OFFICE to HIS MAJESTY'S REPRESENTATIVE, ROME.

(Sent 3.25 p.m., 9th September, 1933.)

(Copy received in Colonial Office, 12th September, 1933.)

TELEGRAM.

[*Answered by No.* 176.]

No. 290. My predecessor's telegram No. 240 of 1931.

Yemeni aggression against Aden Protectorate has again coincided with tension between the Imam and Ibn Saud.

Yemeni troops and tribesmen invaded district in south-west corner of the Aden Protectorate at the end of June. Hostages and loot have been taken. Failing a satisfactory outcome of the incident by negotiations now proceeding between the Acting Resident and Imam's local representatives it may be necessary to deliver an ultimatum to the Imam, followed by air action, if the terms of the ultimatum are not complied with.

Please make a suitable explanation to the Italian Government.

17962/33 [No. 39].

No. 176.

HIS MAJESTY'S REPRESENTATIVE, ROME, to FOREIGN OFFICE.

(Received 3.10 p.m., 11th September, 1933.)

(Copy received in Colonial Office 13th September, 1933.)

TELEGRAM.

11TH SEPTEMBER. No. 262. Your telegram No. 290.†

I made communication to the Head of African Department this morning.

Signor Guarnascheli was clearly concerned and asked me to let you know that he greatly hoped, in the interest of peace, that it would prove unnecessary to proceed to extremes.

* No. 173. † No. 175.

The Italian Government had not heard of the aggression perpetrated during June and would make inquiries. They would also exert their influence with the Imam to persuade his followers to return the loot and hostages if such had in fact been taken They had constantly urged the Imam in the past to respect the frontier of the Aden Protectorate.

17962/33 [No. 66A].

No. 177.

COMMITTEE OF IMPERIAL DEFENCE.

STANDING OFFICIAL SUB-COMMITTEE FOR QUESTIONS CONCERNING THE MIDDLE EAST.

(Secret.)

MINUTES OF THE TWENTY-SEVENTH MEETING OF THE SUB-COMMITTEE HELD AT 2, WHITEHALL GARDENS, S.W.1, ON TUESDAY, 13TH SEPTEMBER, 1933, AT 3.30 P.M.

SUBJECT: RELATIONS WITH THE IMAM OF THE YEMEN.

Present:

MR. A. A. C. PARKINSON, C.M.G., O.B.E., Assistant Under-Secretary of State, Colonial Office. (In the Chair.)
CAPTAIN H. R. MOORE, D.S.O., R.N., Director of Plans Division, Admiralty.
GROUP-CAPTAIN A. T. HARRIS, O.B.E., A.F.C., Deputy Director of Operations and Intelligence, Air Ministry.

The following were also present:

LIEUTENANT-COLONEL G. B. HENDERSON, General Staff, War Office.
COMMANDER R. K. DICKSON, R.N., Admiralty.
MR. H. R. COWELL, C.M.G., Assistant Secretary, Colonial Office.
MR. C. F. A. WARNER, First Secretary, Foreign Office.
MR. J. H. E. WOODS, M.V.O., Principal, Treasury.
MR. A. F. MORLEY, Assistant Principal, India Office.
LIEUTENANT-COLONEL N. G. HIND, M.C., Secretary to the Sub-Committee.

THE SUB-COMMITTEE had under consideration the following paper—
M.E. (O) 102, the contents of which were as follows:—

(*a*) Telegram No. 43 from the Acting Resident of Aden, dated 5th September, 1933.*
(*b*) Colonial Office letter of 7th September, covering a draft telegram to Resident, Aden.
(*c*) Air Ministry letter No. S. 32432/S.6, dated 8th September, 1933.†
(*d*) Telegram No. 45 from the Acting Resident of Aden, dated 10th September, 1933.‡

THE CHAIRMAN stated that since the approval by the Cabinet on the 5th September, 1933, of the recommendations of the 26th Meeting§ of this Sub-Committee, further telegrams, Nos. 43 and 45, had been received from the Acting Resident at Aden indicating that the situation in the Subeihi area had improved, owing to the withdrawal of the Zeidi raiding party and the restitution of a certain part of the looted property. In view of this, a telegram to the Acting Resident at Aden had been drafted by the Colonial Office instructing him to continue efforts to recover unrestored prisoners and loot, and, in the event of failure, to report again. This telegram had been circulated to Departments under cover of Colonial Office letter of 7th September ((*b*) above) but as it did not meet with the approval of the Air Ministry ((*c*) above), the meeting had been called to settle the form in which this telegram should be despatched.

MR. COWELL said that the Cabinet conclusion of the 5th of September clearly authorized air action, should our demand for withdrawal and restitution of prisoners

* No. 173. † 17962/33 [No. 27]: not printed. ‡ No. 174. § No. 135.

and loot not be complied with. As the withdrawal had since taken place and restitution had been effected to some extent, the Colonial Office considered that, in view of the changed situation, the authority of the Secretary of State for the Colonies would be required before action was taken to implement the Cabinet decision, and had therefore, in their draft telegram, instructed the Acting Resident to report again.

GROUP-CAPTAIN HARRIS stated that aggressive action had been taken by the Zeidis within the Protectorate territory. The full implications of this action had been studied by this Committee and their considered recommendations submitted to the Cabinet. The Cabinet had sanctioned retaliatory action. Subsequent to that sanction a very normal situation report had been received from the Acting Resident in his telegram No. 37.* In his view this telegram revealed no fundamental changes in the situation. The daily situation was bound to be ever changing and only those on the spot could judge its implications. The offences for which action was authorized had been committed and no punishment had been administered. The Acting Resident's telegram merely disclosed, in his opinion, and he had a feeling that the Resident would agree, what was a very typical manifestation of Arab diplomacy. The Commander of Taiz expressed complete ignorance of the incidents and a determination to make complete restitution. A further letter received from him later again repeated his pacific intentions and gave an assurance that all captives and stock had been restored.

When we came to consider the actual situation as disclosed by our reconnaissance party we found, firstly, that the Zeidis had indeed withdrawn. This meant literally nothing. They were only a raiding party and there was not the least doubt that they had not the smallest intention of staying The kidnapped tribesmen referred to as released were obviously the ordinary incidental prisoners of the raid who would have been released or killed anyhow. On the other hand the Sheikh's son had been retained, none of the looted property had been returned, and a motor track was being prepared 30 miles inside the Protectorate boundary by orders of the Governor of Mocha Additional offences had also been committed The headmen of two villages had been summoned (on the 31st August) to proceed and report to the representative of the Imam at Mocha and neither hostages nor booty had been released from there

Those were the facts as detailed in the Acting Resident's telegram No. 43. He went on to express his intention of confirming that these facts were correct and if they were, of addressing the Commander of Taiz again and insisting on full restitution. He concluded by asking urgently for permission to take air action in the case of further delays or refusals to comply.

It seemed to him that no one could pretend that any serious alteration for the better had occurred in the situation as revealed in that telegram He insisted that all that was happening was absolutely typical of evasive Arab diplomacy designed merely to cause delay. On the one hand the Commander at Taiz was making protestations which are not being borne out by action, on the other a very partial restitution of the unwanted and the less desirable captures were being made whilst the most useful were being retained and at the same time further offences were being committed. This was so typical of Arab behaviour that in his view it would be fatal to stay our hand beyond the point envisaged in the last sentence of the Acting Resident's telegram, but it was on these facts that the draft telegram from the Colonial Office to Acting Resident was based. If that telegram had concluded with the words " if these fail you may take action as above " it would have been in every way acceptable, because it would have allowed the Acting Resident and his adviser, the Officer Commanding the Forces in Aden, to seize the psychological moment when it became obvious that the friendly protestations of the Commander of Taiz were not in fact genuine, to take the action already considered necessary and sanctioned by His Majesty's Government.

As the telegram stood, however, it meant that no matter what occurred in the interim the Acting Resident must again refer back for a decision as to whether action was to be taken.

The final telegram received from the Acting Resident (No. 45) disclosed a still more unsatisfactory state of affairs, a very partial restitution had been made but only in exchange for cash payments. He did not see how we could possibly accept restitution of this nature. If we did so we were admitting the principle that the Zeidis could force our unfortunate protégés to redeem for cash their own goods which the Zeidis had stolen, and he thought it would be agreed that that really amounted to admitting that had the Zeidis stolen cash instead of kind we would have been prepared to do

* No. 171.

nothing about it. If that was indeed our policy then he had nothing further to add In holding our hand, if we proposed to hold it in the light of the present situation, we were flouting one of the first and fundamental principles of air control, we were accepting evasive replies and promises which were not genuine in lieu of taking action, and this could not but have the inevitable and normal repercussions on the oriental mentality on both sides of the frontier.

In his view the Cabinet's decision to take action was being withheld from the Acting Resident and Commander-in-Chief on the spot, who alone was fitted to judge the day to day tactical alterations in the situation, on totally inadequate grounds. The typically Arab diplomacy displayed by the Commander of Taiz was having all the effect that he intended and we were still no nearer meting out the imperatively necessary punishment to the Zeidis for their unjustified and aggressive action than we were before the matter was originally referred for a Cabinet decision. He considered this incident, and the way it was being dealt with, would still further encourage the already existing belief amongst our own tribes in the Protectorate that we had neither the intention nor the ability to protect them. The growth of such a belief, and it was undoubtedly growing, was a most dangerous matter.

We should be satisfied with nothing less than complete and immediate restitution of all hostages and loot, and he considered it imperative that the Acting Resident should be empowered forthwith to despatch an ultimatum to that effect as soon as he considered the psychological moment had arrived. You could not despatch an ultimatum unless you were prepared to implement it and for that reason he should also be empowered to take what action he considered necessary within the terms of the Cabinet decision.

Mr. Cowell pointed out that the Cabinet authority covered only a demand for withdrawal of the Zeidis and the restoration of hostages and loot, and did not cover retaliatory or punitive action.

Mr. Parkinson said that, in his view, the Acting Resident's telegrams Nos. 13 and 15 indicated that a considerable proportion of the looted property had been returned. Should the proposed ultimatum to the Governor of Taiz fail to produce complete restitution, the Secretary of State for the Colonies could, he thought, in view of the recent decision of the Cabinet, give immediate sanction, and there would be no appreciable delay in authorizing any necessary action.

Mr. Warner agreed with the Colonial Office view that the situation had improved; evacuation had been secured, though full retribution had not been made. The degree of urgency was, in his opinion, now less acute. The Foreign Office had instructed His Majesty's Chargé d'Affaires at Rome to explain the situation to the Italian Government. Having regard to the Italian Government's views as given in telegram No. 262* from His Majesty's Chargé d'Affaires it was the more necessary to ensure that the issue of an ultimatum was fully justified. The Foreign Office therefore preferred the Colonial Office proposal to that advanced by the Air Ministry.

Mr. Parkinson observed that the Acting Resident had confined his communications to the Governor of Taiz, and had not referred to the Imam direct.

After some discussion it was agreed that as the Governor of Taiz was presumably in communication with the Imam, and had previously shown himself to be amenable to reason, the Acting Resident was probably justified in this procedure.

Group Captain Harris said that an extensive raid into British Territory had been committed. In the Air Ministry view swift and immediate retribution was essential. Limited action might, at present, suffice. Possibly the despatch of an ultimatum might alone secure the desired result.

If this action were deferred, and the longer it were deferred, the more extensive and drastic would be the eventual operations entailed.

These delays were having a very great moral effect on the local tribes for whose protection we were responsible. We could not, for ever, continue a policy in the Protectorate which meant losing "face" with our own tribes as well as with the Zeidis. Neither could we continue to flout the essential principles or air control without paying dearly for it in the long run.

Mr. Morley said that the India Office were only remotely concerned and had no strong views either way. Personally he would not have thought that, as the raid was committed last June, the delay of an extra day or so, entailed by a further reference home for instructions, would appreciably decrease the effectiveness of any action eventually taken.

* No. 176.

Lieutenant-Colonel Henderson stated that the War Office generally agreed with the Colonial Office point of view.

Captain Moore said the Admiralty were not directly interested, though they sympathized with the Air Ministry in view of the effect delay would have on Arab mentality in general, and on the local tribes in particular.

Mr. Parkinson said that it had not been possible to get Colonel Reilly to attend this meeting. He suggested that one way out of the present difficulty was that the telegram should go to the Acting Resident as drafted in the Colonial Office but that authority should be given to Colonel Reilly, who was due in Aden on the 22nd October, to take such action as he might consider necessary without further reference He also said that in any case, the Colonial Office draft should be expanded so as to let the Acting Resident know that the Italian Government had been approached and what their views were.

Mr. Warner suggested that the Air Ministry's wishes might to some extent be met if it was indicated in the draft telegram to the Acting Resident, that there was no reason to suppose that, if there was much further delay in securing adequate measures of restitution from the Yemeni authorities, sanction to issue the ultimatum would not speedily be given.

Group Captain Harris said that this draft telegram did not meet the Air Ministry views. He was prepared to accept it personally, but only on the principle of half a loaf being better than no bread, and because the despatch of the suggested telegram, if it was the nearest to Air Ministry views he could persuade them to adopt, would at least prevent some avoidable delay. He would have to refer the matter back to his Department for them to consider whether they wished him to register complete disagreement or a protest in the nature of a minority report. (See note below.)

The Sub-Committee accordingly agreed:—

that the following telegram should be despatched by the Colonial Office to the Acting Resident at Aden:—

Subeihi incursion. In view of position reported in your telegram No. 37 of 14th August,* His Majesty's Government had decided to authorize you to despatch an ultimatum to the *Imam*, concurrently with a notification to the Governor of Taiz, demanding a withdrawal and restoration of prisoners and loot to be followed in the event of non-compliance by air action after the usual local warnings against Taiz or other suitable military objectives within the Imam's territory in the vicinity of the disturbed area.

2. For political reasons it was considered that the delivery of the ultimatum of [? to] the Imam must be delayed sufficiently long to permit His Majesty's Government to inform the Italian Government of recent events in the Subeihi country and of the action which it was proposed to take. The Italian Government has now been advised, and the Chargé d'Affaires reports that they greatly hoped in the interest of peace that it would prove unnecessary to proceed to extremes. The Italian Government did not hear of aggression perpetrated during June and would make inquiries. They would also use all their influence with Imam to persuade his followers to return loot and hostages if such had, in fact, been taken. They had constantly urged him in the past to respect frontier of Aden Protectorate.

3. Your telegrams Nos. 43 and 45, however, indicate that the threat of bombing may after all prove unnecessary, and you should continue your present efforts to recover the prisoners and loot. If these efforts fail you should report again; if your report indicates that complete restitution is being avoidably delayed I anticipate that it will be possible to give authority you seek without delay.

Note.—Group Captain Harris later informed the Secretary of the Sub-Committee that the Air Ministry were not prepared to depart in principle from the views he had expressed at the meeting with regard to the wording and despatch of the amended telegram. They did not wish any further delay to be occasioned in the despatch of this telegram and any additional representations that they might later wish to make would, in consequence, be made through the Secretary of State

2. Whitehall Gardens, S.W.1.
13th September, 1933.

* No. 171.

17962/33 [No. 42].

No. 178.

HIS MAJESTY'S REPRESENTATIVE, ROME, to FOREIGN OFFICE.

(Received 9.30 a.m., 14th September, 1933.)

(Copy received in Colonial Office, 14th September, 1933.)

TELEGRAM.

[*Answered by No.* 182.]

13TH SEPTEMBER. No. 266. (R.) My telegram No. 262.*

Official communication from Ministry of Foreign Affairs recalls that Italian Government have always, in accordance with spirit of 1927 conversations, exercised a moderating influence on Imam both in regard to his relations with Ibn Saud and with Aden Protectorate, and asserts that such an influence will be exerted in the present case also. In view, however, of delicate situation in Arabia, Italian Government trust that His Majesty's Government will find it possible to avoid any action which might either directly or indirectly imperil both peace and balance of power on the Red Sea coast of Arabia in which Italy and Great Britain are equally interested.

For these reasons, and in order to enable them to have time to urge moderation on Imam, Italian Government consider that it might be advisable for the moment to hold up ultimatum to Imam and not to proceed to war-like measures.

Translation by post.

17962/33 [No. 44].

No. 179.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 3.10 p.m., 15th September, 1933.)

TELEGRAM.

(Paraphrase.)

15TH SEPTEMBER. No. 46. I was informed by Italian Consul this morning of purport of an *aide-mémoire* delivered on 11th September by British Ambassador at Rome to the Italian Government indicating His Majesty's Government's attitude in regard to recent incident in south-west of Protectorate. I should be grateful to receive authentic information.

17962/33 [No. 53].

No. 180.

THE SECRETARY OF STATE to THE ACTING RESIDENT.

(Sent 5.30 p.m., 16th September, 1933.)

TELEGRAM.

(Paraphrase.)

No. 30. SECRET. Subeihi incursion. In view of position reported in your telegram of 14th August, No. 37,† His Majesty's Government had decided to give you authority to despatch an ultimatum to the *Imam*, concurrently with a notification to the Governor of Taiz, demanding withdrawal and restoration of loot and prisoners to be followed in the event of non-compliance by air action after the usual local warnings against Taiz or other suitable military objectives within the Imam's territory in the vicinity of the disturbed region.

2. It was considered for political reasons that the delivery of the ultimatum to the Imam must be delayed sufficiently long to permit His Majesty's Government to inform the Italian Government of recent events in the Subeihi country and of the action which it was proposed to take. The Italian Government has now been advised of what has passed and that ultimatum to Imam may be necessary, and the Chargé d'Affaires at Rome reports reply to effect that they greatly hoped in the interest

* No. 176. † No. 171.

of peace that it would prove unnecessary to proceed to extremes that the Italian Government did not hear of aggression perpetrated during June and would institute inquiries that they would also exercise all their influence with Imam to persuade his followers to return hostages and loot if in fact, such had been taken and that they had in the past constantly urged him to respect Aden Protectorate frontier.

3. Your telegrams Nos. 43* and 45,† however, indicate that after all the threat of bombing may prove unnecessary, and you should continue your present efforts to recover loot and prisoners. If these efforts fail you should report again; if your report indicates that complete restitution is being avoidably delayed I anticipate that it will be possible to give without delay the authority which you seek.—CUNLIFFE-LISTER.

17962/33 [No. 54].

No. 181.

THE SECRETARY OF STATE to THE ACTING RESIDENT.

(Sent 10 p.m., 16th September, 1933.)

TELEGRAM.

SECRET. No. 31. Since drafting my Secret telegram No. 30 of 16th September‡ a further telegram from His Majesty's Chargé d'Affaires at Rome states that an official communication has now been received from Italian Ministry of Foreign Affairs recalling that the Italian Government have, in accordance with the spirit of 1927 conversations always exercised a moderating influence on the Imam both with regard to his relations with Ibn Saud and with the Aden Protectorate and asserting that such influence will be exerted in present case also. In view, however, of the delicate situation in Arabia the Italian Government trusts that His Majesty's Government will find it possible to avoid doing anything which might either directly or indirectly imperil both the peace and the balance of power on the Red Sea coast of Arabia in which Great Britain and Italy are equally interested. For these reasons and in order to allow them time to urge moderation on the Imam, the Italian Government think that it might be advisable for the moment to hold up the ultimatum to the Imam and not to proceed to warlike measures. To a similar oral communication made by Italian Embassy on 14th September to Foreign Office reply was returned in following sense: negotiations were still proceeding locally, and as a result it was hoped that forcible action might be unnecessary. His Majesty's Government were grateful to Italian Government for undertaking to urge moderation on Imam. In view of obligations to Protectorate tribes and the length of time since incursion took place Italian Government would, however, appreciate that an early and complete restoration of position was essential, and that if, as seemed possible, Yemeni authorities were adopting evasive and procrastinatory attitude issue of ultimatum would be necessary. An undertaking could not, therefore, be given that the ultimatum might not have to be sent shortly. The Italian Counsellor was informed also that there was no connexion between this incident and the dispute with Ibn Saud.—CUNLIFFE-LISTER.

17962/33 [No. 65].

No. 182.

FOREIGN OFFICE to HIS MAJESTY'S REPRESENTATIVE, ROME.

(Sent 6.45 p.m., 16th September, 1933.)

(Copy received in Colonial Office, 20th September, 1933.)

TELEGRAM.

[*Answered by No.* 185.]

No. 304. (R.) YOUR telegram No. 266§ of 14th September: Yemeni incursion into Aden Protectorate and my despatch No. 771.

* No. 173. † No. 174. ‡ No. 180. § No. 178.

Counsellor of Italian Embassy on 14th September spoke here on instructions in general sense of your telegram. He was informed that local negotiations were still proceeding and that no ultimatum had yet been issued. (For your own information authorization to issue it is not being given to Acting Resident pending further report.) It was explained to him that incursion into this extreme south-west corner of Aden Protectorate was new development of Yemeni activities and had created serious impression on local tribes, whom we were under treaty obligation to protect. Speedy and complete restoration of position was therefore essential. It was hoped that early success of local negotiations would make forcible action unnecessary and His Majesty's Government were grateful to Italian Government for undertaking to urge moderation on Imam. Italian Government as Colonial Power would no doubt appreciate, however, that if Yemeni authorities, as seemed possible, were adopting evasive and procrastinatory attitude, it would be necessary by issue of ultimatum to indicate that His Majesty's Government must insist on complete restitution. Since incursion occurred in June, no undertaking could be given that immediate issue of ultimatum would not shortly be necessary.

Signor Vitetti inquired whether there was any connexion between this incident and dispute between Imam and Ibn Saud. He was informed that there was no connexion whatever and that it was to prevent any such misconception on the part of the Italian Government that they had been informed of the situation.

You may speak in similar sense if you think it desirable. I propose to await text of Italian written communication referred to in your telegram before instructing you as to written reply, if any.

17962/33 [No. 66].

No. 183.

HIS MAJESTY'S REPRESENTATIVE, ROME, to FOREIGN OFFICE.

(Copy received in Colonial Office 21st September, 1933.)

His Majesty's Representative at Rome presents his compliments to the Secretary of State for Foreign Affairs, and has the honour to transmit herewith copy of an *aide-mémoire* received from the Ministry of Foreign Affairs, Rome, on the subject of the aggression of the Imam of the Yemen in the Aden Protectorate.

British Embassy, Rome,
14th September, 1933.

Reference to previous correspondence: Telegram No. 266 of 13th September, 1933,* to the Foreign Office.

Enclosure in No. 183.

(Translation.)

AIDE-MEMOIRE.

The Royal Ministry of Foreign Affairs have received the *aide-mémoire* of the British Embassy in Rome No. 39/55/33 of the 11th of September last, in which, after having informed the Royal Ministry of Foreign Affairs that an aggression by Yemeni troops and tribes took place at the end of June last in the south-eastern (*sic*) part of the Aden Protectorate, and that negotiations are at present proceeding between the representatives of the Imam and the Officer Administering the Government of the Protectorate, in order to settle this incident, the British Embassy states that, if such negotiations should not lead to a favourable result, the British Government will be obliged to send an ultimatum to the Imam, followed, if it is not accepted, by air action.

In this connexion the Royal Ministry of Foreign Affairs, while thanking the British Embassy for their communication, have the honour to inform them that, in accordance with the spirit of the conclusions come to at the conversations in Rome in 1927 and with the attitude always adopted by the Royal Government in regard to all questions relating to the political situation in the Arab countries of the Red Sea, the Italian Government have not failed to exert a moderating influence at Sana'a, both in regard to the differences between Ibn Saud and the Imam of the Yemen (concerning which

* No. 178.

the Royal Ministry of Foreign Affairs propose to send a further communication) and with regard to the attitude of the Imam in frontier questions arising between the Yemen and the Aden Protectorate.

Faithful to the policy which they have so far pursued, and moved by the desire to promote the consolidation of a peaceful situation in the Arabian Peninsula, the Royal Government propose again to exert their influence on the Imam Yahya, and to represent to him the desirability of showing moderation in the whole conduct of his policy, and especially in the present case.

On the other hand, the Royal Ministry of Foreign Affairs consider themselves bound to make it clear to His Britannic Majesty's Embassy in Rome that in the opinion of the Royal Government, more especially having regard to the present delicate political situation in the Arab countries of the Red Sea, any action should if possible be avoided which may directly or indirectly contribute to aggravate the situation, and consequently to disturb the peace in those countries, thereby endangering, on the Arabian shore of the Red Sea, the maintenance of that very balance of power in which Italy and the United Kingdom are equally interested.

The Royal Ministry of Foreign Affairs consequently requests the British Embassy in Rome to be so good as to represent to the London Government that the Royal Government, in view of the considerations set forth and also to enable them to have time to develop with the Imam their action referred to above, consider that it might be advisable for the moment to hold up the despatch of the proposed ultimatum to the Yemen and not to proceed to war-like measures.

The Royal Ministry of Foreign Affairs express the hope that His Britannic Majesty's Government, appreciating the spirit which animates the Royal Government in thus making their attitude clear, will agree with their suggestion: and for their part undertake as soon as possible to follow up the present *aide-mémoire* with a further communication.

Rome, 13th September, 1933.

17962/33 [No. 67].

No. 184.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 7.30 p.m., 24th September, 1933.)

TELEGRAM.

[*Answered by No.* 186.]

(Paraphrase.)

24TH SEPTEMBER. No. 47. I have received from Officer Commanding, Taiz, reply to my letter of 9th September denying forcible detention of hostage and asserting that my claim for both unrestored and redeemed loot is false and baseless. He bases this assertion on alleged admission of Shaikh Amnabia, who had been sent to him under escort from Mocha, who he says has returned home. I strongly suspect any such admission must have been made by Shaikh under impulse of fear for himself and his hostage son, because my Agent, who returned from disturbed area by air on 20th September, six days after Taiz's letter, has confirmed previous evidence regarding looting and reported that on 18th September nothing further had been restored nor Shaikh and his son returned, but that demand had been received from Mocha on 15th September by Chief of Birsukaia for payment by his people of 2 years' tithes.

He also corroborated report received by me on 16th September that five days previously Yemeni authorities made a fresh tax raid in Subeihi Salient between frontier and Jebel-Al-Kos, whence hostages were taken and five local chiefs were coerced by soldiers to recover tithes from inhabitants. Another raid is expected there next January for collection of tax on property and Zeidi military posts remain in area.

The letter from Taiz was brought by private messenger, who conveyed personal message from Officer Commanding to the effect that raids have been by order of Imam with whom we should therefore correspond and that Imam who distrusted and disliked him for pro-British sympathies would like to see Taiz bombed. While I know that relations between them are bad I do not credit last statement, and think Officer Commanding foreseeing severe consequences desires to shift responsibility and save his town. I consider in any case that further negotiations with him will be profitless, and that time has come for ultimatum to be sent to Imam.

My despatch of the 2nd August, No. 182.* In view of Zeidi persistence in Salient and of recent warnings relating to late incidents in Amnabia area, I consider that ultimatum to Imam is now justified and should include not " invitation " as above despatch suggests but (1) demand to recognize and respect Anglo-Turkish ?Subeihi boundary pending and without prejudice to settlement of whole frontier question after treaty is concluded; (2) withdrawal of Yemeni troops behind that line; and (3) return of all ?Subeihi hostages. Bombed objectives should not exclude Taiz notwithstanding Officer Commanding's private representations, and since local air attacks on less important places in the neighbourhood of the disturbed areas may not sufficiently dismay the Imam, Ibb, Dhamar, and Yarim should be included so as to suggest to him vulnerability of Sana'a itself.

If you approve of inclusion in ultimatum of requirements in respect of Salient whence taxes, &c., have been taken for some years to a total amount difficult immediately to estimate, I consider it expedient for restitution only in respect of Amnabia incident to be demanded.

Compulsive measures may perhaps react unfavourably on the Resident's reception in Sana'a if they immediately precede his visit referred to in your Secret despatch of 11th September.† Do you therefore wish Imam now to be informed in sense of paragraph 5 of above despatch or should this be postponed?

17962/33 [No. 76].

No. 185.

HIS MAJESTY'S AMBASSADOR, ROME, to FOREIGN OFFICE.

(Copy received in Colonial Office, 28th September, 1933.)

[*Answered by No.* 187.]

(No. 714.)

SIR, British Embassy, Rome, 20th September, 1933.

I HAVE the honour to report that on 18th September a member of my staff took the opportunity of speaking to the Head of the African Department in the Ministry of Foreign Affairs in the sense of your telegram No. 304‡ regarding the recent Yemeni incursion into the south-west corner of the Aden Protectorate. Signor Guarnaschelli, who was already acquainted with the tenor of your remarks to Signor Vitetti on 14th September, said that the question of a further written communication to His Majesty's Embassy, supplementary to that enclosed in my despatch No. 696 of the 14th instant,§ was under consideration, though it was not yet certain whether it would be made. In view of this uncertainty I have thought it well to acquaint you with the following observations of Signor Guarnaschelli, who took the occasion to express himself, in an entirely friendly manner but with considerable frankness on the general situation in this part of the Arabian peninsula.

2. Signor Guarnaschelli said that the Italian Government's information went to show that the incident in question had, to all intents and purposes, been liquidated. Two points only remained outstanding. One was that (as was stated in the Acting Resident's telegram No. 43,‖ enclosed in your despatch No. 771 of 12th September, the son of the Shaikh of Amnabia was still retained as a hostage, and the second was that payment was being demanded by the Yemenites for some of the loot, which was obviously inequitable. The other hostages had all been released. Signor Guarnaschelli affirmed that the incident, which had arisen between the local frontier tribes, had not been brought to the knowledge of the Imam at all.

3. Signor Guarnaschelli went on to urge that it was not in the interest of His Majesty's Government to proceed to extreme measures. The moment was " a very difficult one " in the whole of the Arab peninsula, and any forcible action might produce incalculable and unfortunate results. In particular, he hinted that it might have a most unfavourable effect upon the policy of Ibn Saud, regarding whose warlike intentions the Italian Government had recently received disturbing reports. In reply to this it was suggested to Signor Guarnaschelli that the fear of possible reactions in other parts of the Arabian peninsula seemed to provide an additional reason for the Imam to pursue a moderate policy Signor Guarnaschelli did not deny this, and repeated that the Italian Government had, in the past, constantly exercised a moderating influence on the Imam.

* No. 205. † No. 141. ‡ No. 182. § No. 183. ‖ No. 173.

4. There was, however, Signor Guarnaschelli said, a further factor which His Majesty's Government should take into account, and that was the ever-increasing activity of the Russians in the Yemen. There was a Soviet commercial mission there, Soviet money was being liberally spent and Soviet presents freely distributed, and the whole Soviet " apparatus " was considerably greater than the Italian one. Was it to the advantage of His Majesty's Government to create a situation in which it would be impossible for the Italian Government to preserve their influence in the Yemen and to prevent it from falling under Russian ascendancy? Was it not rather in the interest of His Majesty's Government that the Italian Government should continue to serve as a moderating intermediary between them and the Imam?

I have, &c.,
R. GRAHAM.

17962/33 [No. 77].

No. 186.

THE SECRETARY OF STATE to THE ACTING RESIDENT.

(Sent 8 p.m., 28th September, 1933.)

TELEGRAM.

[*Answered by No.* 194.]

(Paraphrase.)

ADDRESSED to Aden, No. 33. Your telegram No. 47 of 24th September, Secret.* You are now authorized to despatch ultimatum (in accordance with terms of paragraph 1 of my telegram of 16th September, No. 30†) demanding withdrawal, return of hostages and complete restitution in respect of both unrestored and redeemed loot in respect of incidents in Amnabia area.

2. You are authorized also to include in ultimatum demand for withdrawal of troops and return of hostages in respect of new raid into Salient, but His Majesty's Government do not consider it desirable that any demand should be made in respect of recognition of Anglo-Turkish boundary. Presumably you can word demand for withdrawal in general terms without reference to boundary.

3. You may include also if you think it desirable demand for repayment of taxes recently collected, but I agree that demand in respect of taxes collected in the past should not be made.

4. Taiz may be included in objectives to be bombed and also if you think it desirable Ibb Dhamur and Yarim.

5. You should postpone for the present communication to Imam referred to in my Secret despatch of 11th September,‡ paragraph 5.

Repeated to Rome, No. 312, and to Jeddah, No. 113.—CUNLIFFE-LISTER.

17962/33 [No. 88].

No. 187.

FOREIGN OFFICE to HIS MAJESTY'S REPRESENTATIVE, ROME.

(Sent 9.15 p.m., 28th September, 1933.)

TELEGRAM.

(Copy received in Colonial Office 30th September, 1933.)

[*Answered by No.* 192.]

No. 313. (R.) YOUR despatch No. 714 of the 20th September.§ Yemeni incursions into Aden Protectorate territory.

Acting Resident reported on 24th September* that Officer Commanding at Taiz had refused to restore loot and that Shaikh's son had not been released. Shaikh himself had been sent under escort from Mocha to Taiz and had not yet returned.

* No. 184. † No. 180. ‡ No. 141. § No. 185.

2. Meanwhile a further tax raid has been made on Subeihi district and more hostages taken. Yemeni military posts remain in area. Personal message from officer commanding at Taiz to Acting Resident states that raids were ordered by Imam.

3. In these circumstances His Majesty's Government regret that they cannot further postpone issue of proposed ultimatum, and necessary instructions are being sent to Resident at once in telegram which is being repeated to you for your information. Please inform Italian Government immediately.

17962/33 [No. 90].

No. 188.

THE SECRETARY OF STATE to THE ACTING RESIDENT.

(Sent 5.55 p.m., 30th September, 1933.)

TELEGRAM.

(Paraphrase.)

No. 38. SECRET. My telegram No. 33 of 28th September.* Telegram was sent on 28th September† to His Majesty's Ambassador, Rome, instructing him to inform Italian Government of His Majesty's Government's decision.—CUNLIFFE-LISTER.

17962/33 [No. 95].

No. 189.

FOREIGN OFFICE to HIS MAJESTY'S REPRESENTATIVE, ROME.

(Copy received in Colonial Office, 4th October, 1933.)

(No. 837.)
(Secret.)

SIR, Foreign Office, S.W., 3rd October, 1933.

WITH reference to Mr. Jebb's letter No. 39/82/33 of the 29th September‡ to Mr Rendel and to previous correspondence regarding Yemeni incursions into Aden Protectorate territory, I transmit to Your Excellency the accompanying extracts from the Aden Political Intelligence Summaries for the weeks ending the 15th and 22nd August respectively regarding an unauthorized incursion by a Protectorate chief into territory which, though regarded by His Majesty's Government as part of the Aden Protectorate, is at present under Yemeni occupation.

2. I shall be glad if you will communicate to the Italian Government, for their confidential information, the substance of these two extracts.

I am, &c.,
G. W. RENDEL
(for the Secretary of State).

Enclosure 1 in No. 189.

EXTRACT FROM ADEN POLITICAL INTELLIGENCE SUMMARY FOR WEEK ENDING 15TH AUGUST, 1933

* * * * * * * * *

2480. (REFERENCE paragraph 2421.) In direct contravention of the Resident's orders, Sultan Salih Bin 'Umar, the father of the Upper Yafa'I Sultan, has lately been making hostile incursions into Ruba'tein, a portion of Upper Yafa' under the protection of His Majesty's Government, but temporarily under Imamic control which the Sultan claims as an appanage of his. He also persuaded the Ahl Sha'ib of Upper Yafa' to assist him.

Letters were at once conveyed by air to the Sultan and Saqladi Shaikh of Sha'ib, expressing the Resident's extreme displeasure, informing them that no unauthorized attack of Ruba'tein would receive our support, ordering the immediate withdrawal of

* No. 186. † No. 187. ‡ No. 190.

their tribesmen from Ruba'tein territory and informing them that their stipends were temporarily withheld. Letters to the other Upper Yafa'I stipendary chiefs were also conveyed by air warning them against taking any part in these operations.

It is reported that Zeidi reinforcements were sent from Qa'taba, Rada', Nawa, and Juban, and that Sultan Salih Bin 'Umar was defeated and had to withdraw and has posted garrisons along the Sha'ibi border.

Latest reports indicate that the Zeidis may be contemplating an attack on Sha'ib as a reprisal.

Enclosure 2 in No. 189.

EXTRACT FROM ADEN POLITICAL INTELLIGENCE SUMMARY FOR WEEK ENDING 22ND AUGUST.

* * * * * * * * *

2493. (REFERENCE paragraph 2480.) The Upper Yafa' Sultan and the Saqladi Shaikh of Sha'ib have come down to Aden to tender their apologies for the hostile incursion made by Sultan Salih Bin 'Umar into Ruba'tien

In order to prevent an attack by the Zeidis on Sha'ib, the Officer Commanding Qa'taba was informed by the Residency that the minor raid by Sultan Salih Bin 'Umar on Ruba'tein, was made without the knowledge of this Residency and in direct disobedience of repeated orders, and that he has in response to severe reprimand withdrawn his party from Ruba'tein; that the Residency does not approve that there should be disturbance in the Ruba'tein area, but that if any aggression is made against the Protectorate, the Residency will assist the Protectorate tribes in every possible way.

17962/33 [No. 97].

No. 190.

MR. G. JEBB (BRITISH EMBASSY, ROME)

to

MR. G. W. RENDEL (FOREIGN OFFICE).

(Copy received in Colonial Office, 5th October, 1933.)

DEAR GEORGE, British Embassy, Rome, 29th September, 1933.

YOUR telegrams Nos. 312* and 313† of 28th September: situation in the south-west district of the Aden Protectorate.

I enclose a copy of the note which we addressed to the Italian Government in accordance with your instructions. I hope you will like it. We appear, however, to have no information, apart from that contained in your telegram No. 312, regarding the " further tax " or " new " raid into the Protectorate which has apparently taken place in the last few days and in respect of which it is proposed to include in the ultimatum a demand for the return of hostages and withdrawal of troops. As the Italian Government may possibly ask us for details of this fresh raid, we should be very grateful if you could let us have, at the earliest opportunity, any available information on the subject supplementary to that given in your telegram No. 312.

Incidentally we are not quite clear what is meant by " redeemed loot."

Yours, &c.,
GLADWYN JEBB.

Enclosure in No. 190.

NOTE VERBALE.

HIS Majesty's Embassy present their compliments to the Royal Ministry of Foreign Affairs, and with reference to the Royal Ministry's *aide-mémoire* No. 7458 of 13th September, have the honour, under instructions, to make the following com-

* No. 186. † No. 187.

munication to the Royal Italian Government regarding the incursion last June of Yemeni troops and tribesmen into the south-west corner of the Aden Protectorate.

2. On 24th September His Majesty's Government in the United Kingdom were informed by the Acting Resident at Aden that the Officer Commanding, Taiz, had refused to restore the loot taken on the above occasion, and that the son of the Shaikh of Am-Nabia had not been released. The Acting Resident further stated that the Shaikh himself had been sent under escort from Nocha to Taiz and had not yet returned. Meanwhile a further tax raid has been made on the Subeihi district and more hostages have been taken; the Yemeni military posts remain in the area, and, according to a personal message from the Officer Commanding, Taiz, to the Acting Resident, the raids were ordered by them.

3. In these circumstances His Majesty's Government regret that they cannot further postpone the action indicated in His Majesty's Embassy's *aide-mémoire* No. 39/55/33 of 11th September, and they have accordingly authorized the Acting Resident to issue an ultimatum demanding withdrawal, return of the hostages, and the complete restitution in respect of the loot, both unrestored and redeemed, which was taken in the course of the incident in the Assam-Nabia area. The Acting Resident has also been authorized to demand, as part of the ultimatum, the withdrawal of troops and the return of hostages in connexion with the new raid which has been made into the area in question.

British Embassy, Rome.
29th September, 1933.

17962/33 [No. 97A].

No. 191.

FOREIGN OFFICE to HIS MAJESTY'S REPRESENTATIVE, ROME.

(Sent 9 p.m., 3rd October, 1933.)

TELEGRAM.

(Copy received in Colonial Office 5th October, 1933.)

[*Answered by No.* 192.]

No. 319. (R.) MR. Jebb's letter of 29th September* to Rendel (relations between the Yemen and the Aden Protectorate).

(*a*) "Tax raid" is an armed incursion made with a view to collecting taxes for the Imam from tribes or sections of tribes within the Protectorate and not under the Imam's sovereignty.

(*b*) "Redeemed loot" should more properly be "price of redeemed loot" since it represents money which the original owners of loot have had to pay to the raiders in order to recover their property.

Last words of paragraph 2 of note of 29th September from His Majesty's Embassy to Italian Government should be "ordered by the Imam" and not "ordered by them." Point is important and correction should be made immediately.

Area referred to at end of first sentence of paragraph 3 of note should be "An-Nabia" and not "Assam-Nabia."

Text of Acting Resident's telegram of 24th September† goes to you by bag of 3rd October.

17962/33 [No. 98].

No. 192.

HIS MAJESTY'S REPRESENTATIVE ROME, to FOREIGN OFFICE.

(Received 9.30 a.m., 5th October, 1933.)

TELEGRAM.

(Copy received in Colonial Office 6th October, 1933.)

[*Answered by No.* 196.]

4TH OCTOBER. No. 285. (R.) Your telegram No. 319.‡ Head of African Department at Ministry of Foreign Affairs informed me this evening that

* No. 190. † No. 184. ‡ No. 191.

Italian Government had received communication based on your telegram No. 313* with great regret and with some concern. Though it had been possible in 1928 for His Majesty's Government to treat problem of Zeidi incursions into Protectorate as a thing by itself he suggested that they could not do so now. The recent raids did not appear to be on a very large scale and were perhaps more in the nature of frontier incidents with which Italians were familiar on their frontiers with Abyssinia. But real reason why, in the opinion of Italian Government, it was impossible to isolate this question at the present time was because a resort to force now against the Imam by His Majesty's Government would convince Ibn Saud (who was an Oriental) that we were encouraging him to do likewise, and would be considered by the whole of Arabia as proof that we were supporting him in an endeavour to destroy the Imam by force of arms. To sum up: "a bomb from a British aeroplane on Taiz might well be the spark which would set ablaze south-west corner of Arabian peninsular."

For these reasons Ministry made a final appeal to His Majesty's Government in spite of provocation which they had undoubtedly suffered, to show patience for yet a little longer.

Head of Department added that according to his information the Imam had during September invited Resident, Aden, to talk over the situation. This showed that he wanted a settlement.

17962/33 [No. 104].

No. 193.

THE SECRETARY OF STATE to THE ACTING RESIDENT.

(Sent 1.5 p.m., 7th October, 1933.)

TELEGRAM.

[*Answered by No.* 195.]

(Paraphrase.)

SECRET No. 45. With reference to my telegrams Nos. 43† and 44.‡ Telegraph urgently whether an invitation has been received from the Imam to talk over the situation as is stated by the Italian Foreign Office.

17962/33 [No. 110].

No. 194.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 4.25 p.m., 7th October, 1933.)

TELEGRAM.

(Paraphrase.)

7TH OCTOBER. Addressed to Secretary of State for the Colonies, No. 52.

Your telegram No. 33 of the 28th September.§ Ultimatum due to expire at noon, 23rd October, was despatched via Taiz yesterday afternoon to Imam, who should receive it at the latest on 13th October It included three demands, firstly, return of hostages; secondly, withdrawal of all forces and officials behind a detailed point of line (actual coincident Anglo-Turkish boundary, but not so described specifically) and prevention of further incursion(s) across it; thirdly, restitution to total value of 2,843 dollars. I specified the four bombing objectives referred to in your cypher telegram and also Moza and Mocha and any other place in the Yemen in vicinity of Subeihi border which it might be decided to attack. I sent a similar notification to Taiz simultaneously.

Repeated to Jeddah and Rome.

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* No. 187. † 17962/33 [No. 102]: not printed. ‡ 17962/33 [No. 103]: not printed. § No. 186.

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17962/33 [No. 116].

No. 195.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 10.30 p.m., 7th October, 1933.)

TELEGRAM.

(Paraphrase.)

8TH OCTOBER. No. 53. Your telegram No. 45.* No such invitation has been received from Imam. The ultimatum was despatched on the 6th October.

17962/33 [No. 101].

No. 196.

FOREIGN OFFICE to HIS MAJESTY'S REPRESENTATIVE, ROME.

(Sent 11 a.m., 7th October, 1933.)

TELEGRAM.

(Copy received in Colonial Office, 8th October, 1933.)

[*Answered by No.* 201.]

No 325. (R). YOUR telegram No. 285 (of the 4th October.† Yemeni incursion into Aden Protectorate territory).

It is not necessary to assume that issue of ultimatum to Imam will automatically entail forcible action. Its object is if possible to secure Imam's peaceful evacuation of territory in the south-west of Aden Protectorate and return of hostages, &c —see Colonial Office telegram No. 33‡ to Aden, in my telegram No. 312 of 28th September. Acting Resident is being asked whether he can confirm truth of statement made in last paragraph of your telegram but hitherto no news has been received of such a move by the Imam. If he shows willingness to give speedy satisfaction, His Majesty's Government will be glad to avoid resort to force.

You should reassure Italian Government on above lines. In view of their alarm at the situation they will no doubt continue to use their influence with the Imam to induce him to adopt a more reasonable attitude.

Addressed to Rome No. 325, repeated to Jeddah Nos. and 119 and Aden Nos. and 44, with Rome telegram to which it replies.

17962/33 [No. 122].

No. 197.

THE SECRETARY OF STATE to THE ACTING RESIDENT

(Sent 8 p.m., 9th October, 1933.)

TELEGRAM.

(Paraphrase.)

No. 46. SECRET. In view of general position it has been thought desirable to convey to the Italian Government for their confidential information the substance of paragraph 2480 of Intelligence Summary for week ended 15th August§ and paragraph 2493 of Summary for week ended 22nd August.‖ Instructions have accordingly been given to His Majesty's Ambassador, Rome.—CUNLIFFE-LISTER.

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* No. 193 † No. 192. ‡ No. 186. § Enclosure 1 in No. 189. ‖ Enclosure 2 in No. 189

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17962/33 [No. 127].

No. 198.

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 2.24 p.m., 12th October, 1933.)

TELEGRAM.

(Paraphrase.)

12TH OCTOBER. No. 55. My telegram No 52 of the 7th October.* Reply has been received from Officer Commanding, Taiz, probably inspired by Imam Yahya, to whom he had telegraphed purport of my notification. He promises ambiguously to inquire into our claims and also offers to meet my representative at Amnabia "to make restitution of hostages, &c." I have replied that I welcome his arrival there to hand over hostages and money. In the meantime according to plan arrangements for visit of Political Officer to Amnabia to await formal delivery during term of ultimatum are proceeding.

17962/33 [No. 134].

No. 199.

THE SECRETARY OF STATE to THE ACTING RESIDENT

(Sent 3.15 p.m , 14th October, 1933.)

TELEGRAM.

(Paraphrase.)

No. 47. SECRET. In view of possible reactions on Anglo-Italian relations in Europe of situation in south-western Arabia I think it well to summarize policy of His Majesty's Government.

2. His Majesty's Government notwithstanding their friendly relations with Ibn Saud are determined strictly to observe their obligations under the understanding reached with Italy as the result of Rome conversations of 1927, to refrain from encouraging either party in a conflict in south-west Arabia to attack the other, and to use all their influence in the direction of maintaining peace between the Arabian rulers. His Majesty's Government with this object in view have consistently and forcibly urged counsels of moderation on Ibn Saud, and advised him to adopt a purely defensive attitude and in no circumstances to initiate hostilities against the Imam. They have refused to give Ibn Saud any of the special assistance for which he has asked; but Ibn Saud, like the Imam, cannot be prevented, if he wishes to do so, from obtaining arms from private sources.

3. As regards the recent Yemeni incursions into Aden Protectorate, His Majesty's Government were extremely reluctant to take any action against the Imam which might be interpreted in Arabia or by the Italians as assistance or encouragement to Ibn Saud in his conflict with the Imam. They eventually agreed to issue of ultimatum when as a result of your telegram No. 47 of 24th September† it became clear that Yemeni incursions were serious and had been ordered by Imam, and that redress was unobtainable by other means. His Majesty's Government can, however, only regret unfortunate coincidence by which they should have been obliged to take action against the Imam during crisis in his relations with Ibn Saud, since this renders it difficult to convince Italian Government of their sincerity.

4. You should be guided by the foregoing in any discussions you may have with Italian Consul or other personalities in course of which you may be obliged to give any indication of general attitude of His Majesty's Government. But it would be preferable to avoid making any statement unless it is important to do so in order that misapprehensions may be corrected.—CUNLIFFE-LISTER.

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* No. 194. † No. 184.

17962/33 [No. 144].

No. 200.

FOREIGN OFFICE to HIS MAJESTY'S REPRESENTATIVE, ROME.

(Copy received in Colonial Office, 19th October, 1933.)

(No. 875.)

Foreign Office, S.W.1, 16th October, 1933.

SIR,

WITH reference to my telegram No. 313 of 28th September last,* I have to inform Your Excellency that on the 9th October, in the course of a conversation with a member of this department on other subjects, the Italian Chargé d'Affaires inquired as to the present position regarding Yemeni incursions into Aden Protectorate territory.

2. Signor Vitetti said that he understood that His Majesty's Government had now issued an ultimatum to the Imam of the Yemen. He was told that this was the case. It was explained to him that His Majesty's Government had been most reluctant to take measures against the Imam at the present moment, when his relations with Ibn Saud were so strained, since they feared that the Italian Government might feel that the action of His Majesty's Government was liable to encourage Ibn Saud to embark on hostilities. This they were, of course, most anxious to avoid. Unfortunately the Imam was extremely unreasonable. He had recently made a further considerable encroachment into Protectorate territory. The Acting Resident had at one time reported that this incursion was not so important as had been feared and that there was hope of a friendly settlement. On the 24th September, however, he had sent a further report saying that the incursion had after all proved to be serious, that it had apparently been definitely ordered by the Imam, and that no satisfaction had been obtainable. In these circumstances, as His Majesty's Government had already explained to the Italian Government, they had with the utmost reluctance been obliged to issue an ultimatum to the Imam on the 6th October. It was still hoped that the Imam might, as he had on a similar occasion in 1931, see reason in time to avert the necessity for forcible measures.

3. Signor Vitetti remarked spontaneously that it was obvious that these Imanic incursions into the Protectorate might well be of considerable importance from the point of view of His Majesty's Government, who could hardly be expected to tolerate them. He did not appear to regard the issue of the ultimatum as seriously disquieting.

4. A copy of this despatch is being sent to His Majesty's Chargé d'Affaires at Jeddah.

I am, &c.
(for the Secretary of State),
G. W. RENDEL

17962/33 [No. 145].

No. 201.

HIS MAJESTY'S REPRESENTATIVE, ROME, to FOREIGN OFFICE.

(Copy received in Colonial Office, 20th October, 1933.)

(No. 774.)

British Embassy, Rome, 12th October, 1933.

SIR,

WITH reference to your telegram No. 325 of 7th October,† regarding the situation in the Aden Protectorate, I have the honour to inform you that a member of my staff called yesterday on the Head of the African Department of the Ministry of Foreign Affairs, and conveyed to him the reassuring messages which you instructed me to deliver.

2. Signor Guarnaschelli, who was gloomy at first, seemed rather cheered by the statement that, if the Imam showed willingness to give speedy satisfaction, His Majesty's Government would gladly avoid resort to force. It was pointed out to him that the ultimatum was not due to expire until 23rd October, and that there was ample time for the Italian Government to bring pressure to bear on the Imam if they so desired. The member of my staff added that he earnestly hoped that they would. Signor Guarnaschelli maintained that the Italian Government did not cease to preach

* No. 187.

† No. 196.

moderation to the Imam. They regarded any measures we might take for the defence of our interests in the Protectorate as entirely legitimate, but they did think that in the present circumstances the situation should be regarded as a whole. From some later remarks which he let fall it was evident that he had received from Aden all the details of the ultimatum including the objects to be bombed. It seems that there are at present no Italian subjects in these towns with the exception of Mocha, where there are a number of Eritreans.

3. At the end of the interview Signor Guarnaschelli was handed a confidential *aide-mémoire* based on your despatch No. 837 (E. 5893/G) of 3rd October* regarding the unauthorized incursion by a Protectorate Chief into territory under Yemeni occupation. In handing this document the member of my staff emphasized the frankness and loyalty of His Majesty's Government in communicating this information in regard to an incident which was admittedly disagreeable. The Italian Government would, however, have observed, that the Acting Resident had taken all possible measures to restore the situation, and that in the circumstances it was unlikely to have any effect in the general position. Signor Guarnaschelli, who did not seem to take the affair at all tragically, expressed his sincere thanks for the information, but added that the incident would none the less probably tend to make the Imam suspicious.

4. I was amused to observe in the *Giornale d'Italia* of yesterday a despatch from their London correspondent entitled "Ibn Saud concentrates troops in Asir," which had evidently escaped the Italian censor. "A large concentration of ammunition," says this correspondent, "has been undertaken by the Wahabi King in Asir, with the object of defending it against invasion by the Imam of the Yemen. The cause of this threat of war is to be found in a dispute regarding the position of the Asir territories in regard to which negotiations were in course but had to be interrupted following a request by the Imam to be ceded certain districts, among which was the Emirate of Sabija. On that occasion the Imam detained the delegates of the King of Arabia (Ibn Saud) and concluded an alliance with the Emir of Sabija." This effort to represent the Imam as the villain of the piece can hardly have been read with pleasure in the Italian Ministry of Foreign Affairs.

I have, &c.,
R. GRAHAM.

17962/33 [No. 150].

No. 202.

THE ACTING RESIDENT to THE SECRETARY OF STATE

(Received 8.24 p.m., 20th October, 1933.)

TELEGRAM.

(Paraphrase.)

20TH OCTOBER. No. 59. My telegram No. 55, 12th October.† I have received a conciliatory letter from the Imam expressing his pained surprise at the ultimatum in view of his expectation of the Resident's visit to Sana'a and notifying the issue of his orders to Officer Commanding, Taiz, to satisfy us personally in regard to the Subeihi question. I have accordingly received satisfaction for money claim from Officer Commanding, Taiz, who has also restored five hostages and informed me of the release of the sixth who, however, has not yet arrived.

But the Political Officer at Amnabia to-day reports that a new raid was made yesterday on Amturba in salient from Shuqaira (a military post in Yemen) and by order of Commander thereof, for the purpose of inflicting a fine and capturing the local Shaikh who however fled with his people. Officer Commanding, Taiz, has been warned by me by letter despatched to-day's date by air that this incursion is a flagrant defiance of ultimatum and that unless forces are withdrawn, restitution made for any property taken and punishment of responsible persons are effected by noon of 23rd October air action will proceed as already notified to him. I have also requested him to convey that message to the Imam by telegraph immediately.

* No. 189.

† No. 198.

17962/33 [No. 156].

No. 203.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 1.53 p.m., 23rd October, 1933.)

TELEGRAM.

(Paraphrase.)

23RD OCTOBER. Reference my telegram No. 59.* Sixth hostage has been restored and Officer Commanding, Taiz, has complied satisfactorily with our demands regarding Amturba raid. Since the demands made in our ultimatum have been met I informed Imam to-day by means of an air message to Officer Commanding, Taiz (who will telegraph it on to Imam), that air action will not be carried out.

17962/33 [No. 166].

No. 204.

FOREIGN OFFICE to HIS MAJESTY'S REPRESENTATIVE, ROME

(Sent 6 p.m., 24th October, 1933.)

TELEGRAM.

(Copy received in Colonial Office, 26th October, 1933.)

(Paraphrase.)

(No. 339.)

24TH OCTOBER. My telegram of the 21st October, No. 336.†

The Resident at Aden has reported that demands in respect of Amturba incursion have been complied with and the sixth hostage has been restored. Air action will therefore not be taken. Imam has been informed.

Please inform the Italian Government.

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3. FRONTIER IN SOUTH-WEST CORNER OF THE ADEN PROTECTORATE.

17908/33 [No. 1].

No. 205

THE ACTING RESIDENT to THE SECRETARY OF STATE.

(Received 14th August, 1933.)

[*Answered by No.* 206.]

(Secret.)

(No. 182.)

The Residency, Aden, 2nd August, 1933.

SIR,

I HAVE the honour to draw your attention to the territorial situation in the south-west corner of the Protectorate, where confusion in regard to the status and allegiance of certain of the tribes *vis-à-vis* the Imam has for some years been the cause of unrest on the frontier and may in the future assume greater political importance.

2. For the purposes of this report, reference is invited to the map of the Aden Protectorate,‡ scale 1 inch to 4 miles, an annotated copy of which is enclosed herewith.

3. It must be stated at the outset that the only protective treaties that exist between His Majesty's Government and the "Subeihis" are those with the Shaikhs of the Barhimi and 'Atifi tribes respectively, of 1889 (*vide* "Aitcheson's Treaties," Volume XIII, pages 106 and 108). The area over which British protection was accorded is described in these two treaties as the Barhimi territory on the south coast of Arabia, and situated between the territories of the 'Aqrabi and 'Atifi tribes, which

* No. 202. † 17962/33 [No. 163]: not printed. ‡ Not reproduced.

territory is under their (the Barhimi Shaikhs) authority and jurisdiction, and the 'Atifi territory on the south coast of Arabia and situated between the territory of the Barhimi tribe, and that under the authority of the Turkish Government at Shaikh Sa'id, and which territory is under their (the 'Atifi Shaikhs) authority and jurisdiction. The Shaikhs who signed these two treaties were exclusively the heads of the 'Atifi and Barhimi tribal families respectively, and their near relations; and no representatives of any other dependent or allied sections were associated with them therein.

4. These treaties were made fifteen years before the Anglo-Turkish boundary was fixed, and it is clear that their intention was to ensure the inviolability of the coast line from Perim to the 'Aqrabi limits (which had been similarly secured by treaty in 1888 (*vide* "Aitcheson's Treaties," Volume XIII, page 122), and thence to Aden.

5. By the terms of the "Subeihi engagement" of 1881 (*vide* "Aitcheson's Treaties," Volume XIII, page 91), His Majesty's Government acknowledged the 'Abdali Sultans as exercising sovereign authority over the territory occupied by all the tribes of the Subeihi, except such as then acknowledged Turkish supremacy; and by an Agreement of 1882 (*vide* "Aitcheson's Treaties," Volume XIII, page 93), British protection was confirmed over the territories of the 'Abdali Sultans. It may therefore be held that the "territory occupied by all the tribes of the Subeihi" (within the Anglo-Turkish boundary) is still under His Majesty's Government's protection by virtue of the inter-relation of these two instruments.

6. It may be assumed that, separate Treaties having been made with the 'Atifi and Barhimi eight years after the Subeihi engagement, these two tribes were not at that time considered to be "Subeihis"; but that term has for many years been loosely used to include all the tribes west of Haushabi, 'Abdali, and 'Aqrabi limits, and within the Anglo-Turkish boundary.

7. I make this somewhat lengthy statement in order to clear up any possibility of uncertainty in regard to our *de jure* protective commitments in the area in question.

8. The tribes and sections concerned in the particular issue which I desire to describe are as follows:—

'Atifi	Buseili Ka'luli (part of) Hureibi Bureihani Shumaya Mahwali.
Barhimi.	
Juleidi	Mudariba Aghbari.
Bureimi ...	Bushbushi Ka'luli (part of) Shubeiqi.

9. It would appear from a study of the reports of the British Commissioner on the Anglo-Turkish Boundary Commission (a copy of one of which I enclose herewith) that after lengthy discussions, a compromise was reached and the boundary was finally demarcated with consideration to its geographical position and to its ease of identification. But the fact, stated by the British Commissioner, that it was the recognized border between the tribal *sub-sections* involved, has not prevented subsequent confusion in regard to the primary tribal divisions. In this sense the boundary had the effect of splitting Juleidi, Bureimi, and 'Atifi territories, part of which thereby fell under Turkish control and part under British protection—notwithstanding that it may accurately have divided the sub-sections of these tribes one from another.

10 As you are aware, the Imam has consistently refused to recognize the Anglo-Turkish boundary as the *de jure* frontier between the Protectorate and the Yemen, and has not yet specifically admitted the existence of a *de facto* frontier by the signature of a treaty with His Majesty's Government.

In the absence of an agreed definition of even a *de facto* frontier in the "Subeihi" area in question between Husn Murad and Wadi 'Ubil, and by reason of the Imam's valid claim to sovereignty in those parts of the territories of the Juleidi, Bureimi, and 'Atifi tribes which lie in the Yemen, Zeidi officials, assisted by troops, have frequently crossed the Anglo-Turkish boundary, and have collected taxes and otherwise executed administrative control in those parts of the said territories which lie in the Protectorate. A summary of these incidents is enclosed herewith.

11. The matter has been complicated by the peculiar ignorance of the various Chiefs of these primitive tribes as to the status of those of their sub-sections that

were divided by the Anglo-Turkish boundary, and by their acquiescence in Zeidi penetration before 1927. Moreover these Chiefs have never been in close touch with the Residency, and the information that has hitherto been obtained from them in regard to their complicated tribal organization and divisions is incomplete and often contradictory; nor have political conditions in their territories yet allowed of the visit of a Political Officer for the purpose of a detailed inquiry.

12. No organized Zeidi military penetration into the area having been attempted since the incidents of 1927, all complaints by the Chiefs of minor Zeidi interference with their tribesmen (in the Protectorate) have been investigated, and whenever confirmed have been referred to the Imam's Officer Commanding at Ta'iz by way of formal protest. The adoption of this procedure, which has been necessitated by requirements of caution in so uncertain a situation, has had the effect of checking, but not of preventing Zeidi activities within the Protectorate in the area concerned; and it has been anticipated that the whole question would be dealt with by direct discussion at Sana'a, either during the negotiations for the treaty with the Imam, or as soon as conveniently possible after their successful conclusion.

13. It is, in my opinion, very desirable that a solution of the matter should be attempted without further long delay; but it now seems unlikely that it can be found in the manner suggested in the preceding paragraph, owing to the probable imminent suspension of the treaty negotiations with the Imam. It would, moreover, be inexpedient to attempt to compel the Imam's acceptance of the Anglo-Turkish boundary in this locality, which he has hitherto, and with some justice, refused to recognize, and the siting of which is admittedly open to objection

14 It would be less objectionable to invite the Imam to agree to the provisional adoption of that line, as a temporary administrative boundary, pending and without prejudice to any permanent readjustment of it that may subsequently be made by agreement with him. In recommending this course for your consideration I have in mind the expediency of reserving the area included approximately in the salient north of the line J. Hujeja—J. Kahawa—J. Al Hamaliya—J Alkos—J. Jaznun and thence north-east to Wadi 'Ubil, for prospective cession to the Yemen by way of compromise in the eventual adjustment of other parts of the frontier where retention of the Anglo-Turkish line is of greater importance to Protectorate interests.

15. I shall be grateful to be informed whether my recommendation to seek the Imam's agreement to such a *modus vivendi* meets with your approval. If I am authorized to proceed with the matter I would propose to approach the Imam after the successful conclusion of the combined air and tribal operations in the 'Audhali area that were recommended in my Secret despatch No. 163 dated 12th July, 1933.*

I have, &c.,
R S. CHAMPION,
Acting Resident, &c.

Enclosure 1 in No. 205.

EXTRACT FROM A LETTER FROM THE COMMISSIONER, ADEN BOUNDARY COMMISSION, TO THE SECRETARY TO THE GOVERNMENT OF INDIA, FOREIGN DEPARTMENT, DATED 30TH APRIL, 1905, WITH REGARD TO THE FIXING OF THE SOUTH-WEST SUBEIHI FRONTIER.

* * * * * * * * * *

IT may be remarked that the Boundary Commission, on entering Subeihi country, was given to understand that the western Subeihi frontier passed by J. Am Missas and thence skirted the southern slopes of the hills, reaching the sea in the vicinity of Turba, while it was found that the Turks locally laid claim to all the territory east of Shaikh Sa'id up to the line of J. Am Missas. J. Kharaz, and Ras Arah.

Subsequently, investigations showed that the western borders of the Juleidi, Bureimi, and 'Atifi sections of the Subeihi extended respectively to the points 'Akama, 'Akkar, and Kudam, and although these extreme limits have not been insisted on, the boundary actually delimited from J. Numan to Husn Murad still vindicates the Subeihi claims as against Turkish pretensions to the extent of some hundreds of square miles. The Turks had, in the past, unobtrusively exercised jurisdiction up to the line

* No. 133.

of J. A. Missas and J. Kharras, the Subeihi tribal sub-sections of Mudariba, Aghbari, Ka'luli, Mahwali, and Jarthati having actually paid taxes to the Ottoman officials at Mocha.

The Turkish Commissioners at first insisted strongly on their claim to the Aghbari, mainly on account of the religious importance attached by their authorities to the well-known shrine of Turba, situated within Aghbari limits, and it was only in the course of the Ottoman Commissioner's recent prolonged stay at Shaikh Sa'id that the claim was relinquished. The result was to yield a natural boundary which from J. Numan almost entirely follows the watershed between the Red Sea and the Gulf of Aden, is easily distinguishable and has the further merit of being the recognized border between the tribal sub-sections inhabiting the country through which it passes.

* * * * * * * * * *

Enclosure 2 in No. 205.

SUMMARY OF EVENTS DEMONSTRATING IMAMIC INTERFERENCE IN SOUTH-WESTERN SUBEIHI TERRITORY.

September, 1927.

THREE parties of Zeidi soldiers entered the Protectorate border, a total of about 900 strong.

First party proceeded against the Bushbushi sub-section at Wadi 'Adim.

Second party against some Bureimi sub-sections at Wadi 'Ubil.

Third party against the Ahl Buseili and 'Atifis at Mudariba, Am Shat, and Dar Rahban.

They were reported to be advancing south towards Turan and Haweirib.

They burnt houses and looted livestock and demanded submission, tithes, and hostages from the people, and posted a garrison at Am Mijza', belonging to the Ahl Shumaya.

October, 1927.

Warnings were dropped on Am Mijza' giving the Imamic troops 48 hours in which to evacuate the Protectorate in the Mijza and Turan areas, failing which they would be bombed.

The Imam's troops withdrew at once.

Letters were dropped on Ta'iz, Qa'taba, and Ibb notifying the recent action taken in the Subeihi country and warning the Officers Commanding at these places that should any further raids into the Protectorate take place, the towns of Ta'iz, Qa'taba, Ibb, and any other places in the Imam's territory which it would be deemed suitable to attack, would be bombed. A copy of the warning was sent to the Imam.

April, 1929.

The 'Amil of Al Waza'iya (the Yemen) wrote to the Buseilis telling them to pay tithes, or they would be punished. His Highness the Sultan of Lahej was requested to write privately to the Officer Commanding, Ta'iz, about the incident.

June, 1929.

The 'Amil of Al Waza'iya sent a party of Imamic soldiers to Turan to recover taxes. The Buseilis refused compliance and fired on them. The same night the soldiers raided Turan and carried off two bullocks and a camel, and the 'Amil threatened to send a force to punish the Buseilis.

A reply, dated 11th June, 1929. was received from the Officer Commanding, Ta'iz, that he had warned the 'Aqils of Al Waza'iya against making any trouble on the border

June, 1929.

A report was received from the Bushbushi Shaikh at Khabana that on 21st June about 100 Imamic soldiers had come and damaged crops and palm trees and occupied the fort at Khabana, and had left a garrison there. They had given out that the raid was a punishment for not paying taxes.

A report was received from one of the Bureimi Shaikhs at Majba that in the middle of May a party of Imamic soldiers had raided Am Mizza and carried away 300 sheep and goats.

August, 1929.

The Officer Commanding, Ta'iz, himself sent a Circular letter to the Buseilis telling them to pay taxes.

His Highness the Sultan of Lahej was asked to write privately to the Officer Commanding, Ta'iz, pointing out the consequences that would follow any attack on or attempt at coercion of the Buseilis who were under the protection of His Majesty's Government and to request him, in the interests of peace, to refrain from such action.

The Officer Commanding, Ta'iz, replied that he was unaware that the Buseilis inhabited Protectorate limits, and that he had now issued orders for the suspension of all negotiations with them.

July, 1932.

The 'Atifi Shaikh complained of past Zeidi aggression against the borders of his Ka'luli, Hureibi, and against the Shubeiqi sub-section (Bureimi) over which he has a certain control. He stated that they had been paying taxes forcibly to the Imam for the last 8 or 9 years, although they were under British protection, and that they were now being threatened with attack. He also complained that the Imam had held a hostage from the Ka'lulis since 1927. A party of Imamic soldiers also encroached against Am Shat am Tawil in Buseili territory

August, 1932.

300 Zeidis from Mocha and Shuqeira entered 'Atifi and Bureimi territory at Turba, Mudariba, Farrukhiya, and Am Shat to enforce payment of taxes, and were reported to be threatening Wadi Timnan.

The treaty negotiations with the Imam having at that time reached an advanced stage, conciliatory, rather than forcible action was taken by the Residency, and His Highness the Sultan of Lahej was requested again to write to the Officer Commanding, Ta'iz, bringing to his notice the complaint of the 'Atifi Shaikh and the recent encroachment by Imamic troops into 'Atifi and Bureimi territory, explaining to him that the sub-sections concerned were under the protection of His Majesty's Government and warning him in a friendly way, as was done in August, 1929.

The Officer Commanding, Ta'iz, replied to the effect that the Ka'lulis and Shubeiqis belonged to the Waza'iya area of the Mocha district and had never been part of the Subeihi country, and that the Ka'lulis had in the past tendered submission to the Imam of their own free will.

December, 1932.

The Residency Office addressed the Officer Commanding, Ta'iz, pointing out that his assertion that the Ka'luli sub-section had submitted willingly to the Imam was inaccurate and that neither they nor the other sub-sections concerned had voluntarily accepted Imamic control, but had paid taxes to the Imam unwillingly and by illegal compulsion. It was also pointed out that at the time of the Turkish occupation of Al Yemen, the Ka'luli and Shubeiqi sub-sections had never ceased paying revenue to the Bureimi Shaikh.

The Officer Commanding, Ta'iz, replied in the same strain as before

April, 1933.

Complaints were received from the 'Atifi and Barhimi Shaikhs of further Zeidi encroachments in January, 1933, against the Shubeiqi and Bureihani territories at Al Farukhiya, Bitau Am Lasbah, and Gheil Barbar, the levying of taxes and the taking of two more hostages. They stated that the Ka'luli Shaikh and his three sons were detained at Shuqeira, while his fourth son, taken hostage in 1927, was still in Yarim. It was also reported that there were Zeidi garrisons at Turba and As Surur.

17908/33 [No. 17].

No. 206.

THE SECRETARY OF STATE to THE ACTING RESIDENT

(Secret (2)).

SIR, Downing Street, 12th October, 1933.

I HAVE the honour to acknowledge the receipt of your Secret despatch of the 2nd of August* in which you draw attention to the territorial situation in the south-west corner of the Protectorate and make certain proposals for dealing with the frontier in this area.

2. In view of the developments which have taken place in the general situation since your despatch was written, no action appears to be called for at the present time. The despatch has been seen by Lieutenant-Colonel Reilly, who will take the matter up again if and when he thinks it opportune to do so.

I have, &c.,
P. CUNLIFFE-LISTER.

D. DEFENCE.

12502/1/33 [No. 11].

No. 207.

MR. J. G LAITHWAITE (INDIA OFFICE)

to

MR. C. G. EVANS (AIR MINISTRY).

(Copy received in Colonial Office, 25th February, 1933.)

[*Answered by No.* 209.]

MY DEAR EVANS, India Office, Whitehall, S.W.1, 23rd February, 1933.

You will remember our discussion last summer (your letter of the 29th July,† and my reply of 25th August,‡) about the Aden defence scheme.

I now enclose for your information a copy of the Government of India's reply, together with a copy of a note commenting on it by Sir E. Chamier. The Government of India's letter states the position fully, and I do not think that I need elaborate it. But the question will become one of academic interest only in the event of the transfer of Aden being approved, and it is for consideration whether, in view of the present position of that subject, we need go farther into it at this stage.

I am sending a copy of this letter to Cowell.

Yours, &c.,
J. G. LAITHWAITE

Enclosure 1 in No. 207.

(Secret.)

MY DEAR WALTON, New Delhi, 24th November, 1932.

PLEASE see your demi-official letter dated 1st September, 1932,§ regarding action to be taken by the Chief Commissioner, Aden, on the outbreak of war or in other times of emergency.

2. So far as the Aden Settlement is concerned, it is in the opinion of the Government of India beyond question that legislation empowering the Chief Commissioner at Aden to make regulations within the sphere of the civil government of the British Indian province of Aden (Schedule A to the Aden Laws Regulation, 1932) should be enacted by an authority competent to legislate for Aden under the Government of India Act. These authorities are :—

(1) the Indian Legislature, which is competent to legislate specifically for Aden under Section 65;

* No. 205. † No. 314 in Middle East No. 34. ‡ No. 316 in Middle East No. 34.
§ Enclosure in No. 316 in Middle East No. 34.

(2) the Governor-General in Council, who is competent to make Regulations for Aden under Section 71;
(3) the Governor-General, who is competent to make Ordinances for Aden under Section 72.

3. The first of these three alternative processes is of course inappropriate for the enactment of emergency legislation of the character in view; but the second is not materially more dilatory than the third and since a Regulation, unlike an Ordinance, has no time-limit set upon its operation, it might not improbably prove convenient to proceed *ab initio* by way of Regulation rather than by way of Ordinance. The Government of India, therefore, while agreeing that the action indicated in paragraph 5 of your letter would be appropriate, would prefer to leave open the question whether the necessary legislation should, on occasion arising for its enactment, take the form of a Regulation under Section 71 or an Ordinance under Section 72. They will take up the preparation of the draft rules to be in the possession of the Chief Commissioner, Aden, for promulgation under the Regulation or Ordinance in the event of the emergency arising.

4. As regards paragraph 6 of your letter, the supposition that jurisdiction in the Aden Protectorate is now exercised under the Indian (Foreign Jurisdiction) Order in Council and the proposals that it should continue to be so exercised, appear to the Government of India to overlook the necessary consequences of the transfer of political control of the Protectorate from the Government of India to His Majesty's Government. When political control was exercised by the Government of India Protectorate was, by virtue of the exercise of that control by the Government of India in India as defined in Section 18 (5) of the Interpretation Act and, therefore, within the limits of the Indian (Foreign Jurisdiction) Order in Council under the opening part of Section 2 read with Section 6 thereof. With the change from the exercise of political control through the Government of India to the direct exercise of political control by His Majesty's Government, the Protectorate ceased automatically to be in India and ceased automatically to be included within the limits of the Indian (Foreign Jurisdiction) Order in Council. Its reinclusion within those limits by way of Declaration under the latter part of Section 2 of the Order, to the possibility of which Sir Edward Chamier alludes, would, it is suggested, involve a revocation of the decision, which we understood is immutable, that the political control of the Protectorate should be exercised directly by His Majesty's Government.

5. The hypothesis that jurisdiction in the Protectorate is now exercised under the Indian (Foreign Jurisdiction) Order in Council appears to rest on the Notifications issued thereunder which were set out on pages 400-402 of Volume IV of the 3rd Edition of Macpherson's British Enactments and to which reference is made in paragraph 2 of the Colonial Office letter dated the 29th September, 1928. The position, however, is that these Notifications were validly issued when the Protectorate was within the limits of the Indian (Foreign Jurisdiction) Order in Council, and that while they may remain in force *de facto*, and may arguably remain in force *de jure* with the status of orders made directly under the Foreign Jurisdiction Act, they ceased, on Aden ceasing to be included within the limits of the Indian (Foreign Jurisdiction) Order in Council, to remain in force in the character of Notifications issued under that Order. Consequently, the Notifications in question were not reproduced in the 4th edition of Macpherson.

6. In our opinion, then, the position is that with the transfer of political control it became and remains impossible to exercise jurisdiction in the Protectorate by way of orders made by the Governor-General in Council under the Indian (Foreign Jurisdiction) Order in Council. It would appear to follow that any necessary provision for the exercise of such jurisdiction as His Majesty possesses in the Protectorate must be made through the medium of Orders in Council made directly for the Aden Protectorate by His Majesty in Council under the Foreign Jurisdiction Act, 1890.

Yours sincerely,
H. A. F. METCALFE.

J. C. Walton, Esq.,
India Office.

Enclosure 2 in No. 207.

NOTE BY SIR E CHAMIER.

I HAVE always been rather hazy about the position in the Aden "Protectorate" as my previous notes show. I was not aware that the Crown exercised suzerainty over the Aden Protectorate similar to that exercised over the States in India proper. Indeed I was under the impression (see my note of the 8th January, 1929, in P. 3082/1917) that there must have been a declaration by the Crown under paragraph 2 of the Indian (Foreign Jurisdiction) Order in Council, 1902. The treaties with the Sultan of Lahej in "Aitchison" seem to leave him in a position somewhat different from that of the other Chiefs in the Protectorate.

I suppose, however, that what Mr. Metcalfe says in paragraphs 4 and 5 of his letter of the 24th November, 1932, is correct, and if so I agree with his conclusion in paragraph 6 that the Governor-General in Council has ceased to be able to exercise jurisdiction over the Protectorate on behalf of His Majesty and that for the future any necessary provision for the exercise of such jurisdiction as His Majesty possesses there should be made by Orders in Council made directly by His Majesty in Council under the Foreign Jurisdiction Act, 1890.

29th December, 1932.

12502/1/33 [No. 13].

No. 208.

MR. C. G. EVANS (AIR MINISTRY)

to

Mr. J. G. LAITHWAITE (INDIA OFFICE).

(Copy received in Colonial Office, 11th March, 1933.)

MY DEAR LAITHWAITE, Air Ministry, 10th March, 1933.

YOUR letter of 23rd February* about the Aden Defence Scheme. We most certainly agree that the question outstanding between Whitehall and the Government of India as to the source of emergency powers should await the decision on the transfer of Aden.

I am sending a copy of this letter to Cowell.

Yours, &c.,
CHARLES EVANS

12502/1/33 [No. 12].

No. 209.

MR. H. R. COWELL (COLONIAL OFFICE)

to

LIEUTENANT-COLONEL B. R. REILLY (RESIDENT, ADEN).

[*Answered by No.* 211.]

(Secret.)

MY DEAR REILLY, Downing Street, S.W.1, 17th March, 1933.

IN connexion with the Aden Defence Scheme, we have had under consideration the question of the enactment of Regulations dealing with the control of the civil population in time of emergency.

I enclose for your information copies of semi-official correspondence† with the India Office and the Air Ministry on the subject. You will see that, while there is general agreement that in the Settlement such Regulations should be issued at present under the authority of the Government of India, the position in the Protectorate is open to doubt; and that in the event of it becoming desirable to issue any such Regulations in the Protectorate, it would probably be necessary to proceed by Order in Council made under the Foreign Jurisdiction Act.

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* No. 207. † Nos. 308-316 in Middle East No. 34, and No. 207.

In view of the consideration now being given to the possibility of the transfer of Aden to the Home Government, we do not propose at present to pursue the matter further. But I thought it desirable that you should see the correspondence, although it seems unlikely that it would be either necessary or practicable in the near future to enforce any such Regulations in the Protectorate.

Yours, &c.,
H. R. COWELL.

12502/1/33 [No. 14].

No. 210.

THE RESIDENT to THE SECRETARY OF STATE.

(Received 10th April, 1933.)

(Secret.)
(No. 68.)

The Residency, Aden, 29th March, 1933.

SIR,

I HAVE the honour to forward herewith, for your information, a copy of a letter No. C/172 dated the 24th March, 1933, that I have addressed to the Government of India in the Foreign and Political Department, on the subject of the Defence of Perim and Kamaran Islands.

I have, &c.,
B. R. REILLY,
Resident, &c

Enclosure in No. 210.

(Secret.)
(No. C/172.)

The Residency, Aden, 24th March, 1933.

SIR,

Subject:—*Defence of Perim and Kamaran Islands.*

I HAVE the honour to refer to paragraph 1 (4) of the Government of India letter No. F. 193/N/30 dated the 9th August, 1930, sanctioning the reorganization scheme of the Aden Police Force, and to state that the duty of garrisoning the islands of Perim and Kamaran has been undertaken by the Aden Armed Police from the 21st April, 1929, and 25th June, 1931, respectively. The degree of responsibility that rests upon the Armed Police for the protection of these two islands has been under consideration, and after consultation with the Officer Commanding British Forces in Aden, I have come to the conclusion that the Commandant of Police must be responsible to the Chief Commissioner for internal security and for dealing with local raids such as an attack by tribesmen to loot, damage property, or attempt to capture the islands. The responsibility for the defence of the islands against an enemy Power in time of war would of course remain with the Officer Commanding the British Forces in Aden.

2. On this assumption I have directed the Commandant of Police to draw up plans of defence to meet situations such as those referred to above. The preparation of satisfactory schemes has been difficult owing to the fact that the garrisons are in practice limited to 30 men in each island, and in order to make them effective the Commandant of Police considers that two Lewis guns should be added to the armaments of the detachment at Kamaran and one Lewis gun to that of the detachment at Perim, without which he submits that the islands cannot be defended satisfactorily. The Commandant of Police further proposes that there should be a Lewis gun and a D.P. gun at Aden for purposes of training. The cost of one Lewis gun is approximately £45 and the cost of a D.P. gun is £14 10s. To this must be added 22 per cent. departmental charges if the weapons are purchased through the Royal Air Force. Component parts are available in Aden, and the Officer Commanding the Forces is prepared to arrange the necessary repairs to be carried out by the Royal Air Force personnel in Aden.

3. The Commandant of Police has also examined the question of arming civilians at Kamaran. There are usually about ten officials connected with the administration on the island. The Commandant of Police considers that they ought to be provided with service rifles to enable them to reinforce the armed police garrison in case of

emergency, and he recommends that ten rifles be supplied to the Civil Administrator, Kamaran, for this purpose. The cost of one rifle complete is £7 0s. 3d. To this must be added 22 per cent. departmental charges if the weapons are purchased through the Royal Air Force. A reserve of 2,000 rounds of ammunition should be kept in the island.

4. With regard to Perim there are already fifteen service rifles and sufficient reserve ammunition in the possession of the Perim Coal Company for the use of its employees if and when the Perim Defence Scheme is put into operation, and no further provision is required at present.

5. I have discussed the recommendations of the Commandant of Police with the Officer Commanding the Forces, and we are of opinion that they ought to be adopted. I accordingly recommend that the purchase of the guns and rifles for which he asks be sanctioned. The total cost involved is set out in the accompanying statement.

6. Although no emergencies such as those contemplated have arisen in the past it must be borne in mind that danger from the mainland is always a possibility in the event of disturbances resulting from warfare between adjacent Arab States, or from serious rebellions or disputed successions within them: I therefore regard it as a matter of importance that adequate provision be made for the internal and external security of the islands, and trust that my recommendations will meet with the approval of the Government of India.

I have, &c.,
B. R. REILLY,
Chief Commissioner.

The Secretary to the Government of India,
Foreign and Political Department.
New Delhi.

STATEMENT OF COST.

	£	s.	d.
Kamaran.			
2 Lewis Guns at £45 each	90	0	0
10 Service rifles at £7 0s. 3d. each	70	2	6
10,000 rounds ammunition for Lewis Guns...	67	2	6
2,000 rounds ammunition for rifles	13	8	6
Perim.			
1 Lewis Gun at £45	45	0	0
5,000 rounds ammunition for Lewis Gun	33	11	3
Aden.			
1 Lewis Gun at £45	45	0	0
1 D.P. Gun at £14 10s.	14	10	0
5,000 rounds ammunition for Lewis Gun	33	11	3
	£412	6	0
Add Departmental charges at 22 per cent.	90	13	0
	£502	19	0

12502/1/33 [No. 15].

No. 211.

MR. R. S. CHAMPION (ACTING RESIDENT, ADEN)

to

MR. H. R. COWELL (COLONIAL OFFICE).

(Secret.)

The Residency, Aden, 10th May, 1933.

DEAR MR. COWELL,

WITH reference to your Secret demi-official letter to Colonel Reilly of the 17th March, 1933,* I enclose copies of Government of India's (Captain Burnett's)

* No. 208.

Secret demi-official letter No. F.320-N/32 of the 10th December, 1932, and of my reply thereto, with its attachments.

Colonel Reilly, who has seen this correspondence is anxious that the power to declare a state of emergency shall be vested in him (on the lines of the Defence (Certain British Possessions) Order in Council, 1928), and that the proposed Indian Regulation or Ordinance shall admit of no delay in his exercise of them and in the promulgation of the various Rules.

Boyd agrees with him that Chapter VI of the Aden Defence Scheme, 1931, should be amended on the assumption that the Chief Commissioner will have such latent powers, and that the present draft Rules should be embodied in the Scheme as Appendices, with the necessary explanations of their provisional nature. This is being done, and I hope to send forward the revised Defence Scheme at an early date.

Colonel Reilly agrees that it is unnecessary at the moment to frame Rules in respect of the Protectorate, where the political influence of the Residency is sufficient to enable an effective control to be exercised in connexion with Defence measures.

Yours, &c.,
R. S. CHAMPION.

Enclosure 1 in No. 211.

(Secret.)

Foreign and Political Department,
New Delhi, 10th December, 1932.

D.O. No. F.320-N/32.

Suggestion by the Air Ministry whether in the event of an emergency arising, e.g., outbreak of war, which would necessitate arming the Chief Commissioner, Aden, with exceptional power, it would not suffice if an ordinance were issued in respect of Aden by the Governor-General of India under Section 72 of the Government of India Act.

MY DEAR COLONEL,

I AM desired to enclose a copy of demi-official letter from Mr. Walton, India Office, No. PZ.4583/32 of 1st September, 1932.* and of our reply thereto No. F.320-N/32, dated the 24th November, 1932,† on the above subject. I am to request that you will kindly undertake the preparation of such Rules as you think will be required to be enforced in the Aden Settlement and Protectorate in the event of an emergency arising and submit them to the Government of India in draft form.

Yours, &c.,
R. R. BURNETT.

Lieutenant-Colonel B. R. Reilly,
Chief Commissioner, Aden.

Enclosure 2 in No. 211.

(Secret.)
(No C.255.)

Subject:—*Suggestion by the Air Ministry whether, in the event of an emergency arising, e.g., outbreak of war, which would necessitate arming the Chief Commissioner, Aden, with exceptional power, it would not suffice if an ordinance were issued in respect of Aden by the Governor-General of India under Section 72 of the Government of India Act.*

The Residency, Aden, 5th May, 1933.

SIR,

I HAVE the honour to refer to Captain Burnett's demi-official letter No. F.320-N/32 of the 10th December, 1932, on the above subject and to submit herewith the

* Enclosure in No. 316 in Middle East No. 34.

† Enclosure in No. 207.

following six draft Rules* that will be required to be enforced in the Aden Settlement in the event of an emergency arising:—

(i) General Defence Rules.
(ii) Aliens Restriction Rules.
(iii) Safeguarding of Economic Security Rules.
(iv) Safeguarding of Financial Security Rules.
(v) Aerial Defence Rules.
(vi) Consorship Rules.

2. In view of the suggestion that has been made (*vide* paragraph 5 of demi-official letter No. PZ.4583/32 of the 1st September, 1932, from Mr. Walton to Mr. Metcalfe) that the proposed Indian Regulation or Ordinance should correspond in terms as closely as possible to. or should confer power to make rules on the matters dealt with by the Defence (Certain British Possessions) Order in Council, 1928, the draft Rules now submitted have been based on those adopted in the Defence Scheme for Kenya, where the said Order in Council has effect.

3. I also attach hereto the observations of the Judicial Assistant to the Chief Commissioner on the general aspects of this matter; and I desire to draw particular attention to the recommendations that he has made, and in which I concur:—

(i) that the Chief Commissioner be empowered to declare a state of emergency in the territory under his jurisdiction for the purposes now in question, and

(ii) that the Regulation or Ordinance to come into effect on the declaration by the Chief Commissioner of a state of public emergency be enacted now, and not left for promulgation until the emergency has arisen or is imminent.

4. The draft Rules now submitted are not framed or intended to have effect in the Aden Protectorate, in view of the opinion that has been expressed that the jurisdiction therein of the Governor-General in Council has lapsed (*vide* paragraph 6 of demi-official letter No. F.320-N/32 of the 24th November, 1932, from Mr. Metcalfe to Mr. Walton).

5. In order that the revision of the Aden Defence Scheme, 1931, which is now in progress, shall not be unduly delayed, I have embodied the draft Rules in it as Appendices, with due references to their provisional nature, and have made such amendments in the body of the Scheme as to provide for the promulgation by the Chief Commissioner of Rules for the six various purposes covered by the present drafts

6 I have addressed a copy of this letter, with copies of its attachments, to the Colonial Office.

I have, &c.,
R. S. CHAMPION,
Acting Chief Commissioner.

The Secretary to the Government of India,
Foreign and Political Department, Simla.

Extract from a Note by the Judicial Assistant to the Resident, Aden, dated 9th April, 1933.

IN the case of Colonies the question of arming the local authorities with exceptional powers to meet emergencies such as the outbreak of war without necessitating recourse to martial law has been met by an Order in Council (Defence (Certain British Possessions) Order in Council, 1928) The Order provides that it is to come into operation in any of the possessions to which it applies on proclamation by the Governor of that Possession that a state of emergency exists.

On coming into operation the Order confers powers on the Governor to make Regulations for securing the public safety and defence of the territory and illustrates the purpose for which such Regulations should be made.

The power to bring the Order into operation rests with the Governor.

The procedure contemplated by the Government of India for Aden appears different. I understand Government do not propose to create any latent authority in the Chief Commissioner to call into being general or specific powers to be exercised by him in case of an emergency. Powers are to be conferred only when the emergency arises.

* *See* Tables (I) to (VI) in Appendix VIIA in Aden Defence Scheme, 1933.

Presumably in real emergency the Government of India would have to act by Ordinance under Section 72 of the Government of India Act. A Regulation under Section 71 comes into effect only after publication in the Gazette of India and Local Gazette.

It is not clear whether the final decision as to state of emergency is to be with the Chief Commissioner or with the Government of India. Even assuming the former the Chief Commissioner will have power to act only after the Ordinance has been passed. Unless there is an appreciable precautionary stage there is likely to be loss of valuable time. It is within reasonable possibility that cable or wireless communications may be interrupted by enemy action. It may be impossible for the Chief Commissioner to communicate to the Government of India the necessity of an Ordinance or for him to receive from Government information that an Ordinance has been passed. In such circumstances the scheme would be ineffective and delay caused by attempting to bring it into operation might be disastrous.

Even assuming immediate information of the promulgation of an Ordinance is received by the Chief Commissioner, the legal position of the Chief Commissioner in issuing rules (Regulations) or exercising powers under an Ordinance of which at best he can have an advance copy is not very satisfactory. This may seem a trifle, but an alteration in the Ordinance might effect substantially the powers the Chief Commissioner considered he was empowered to use. There should be no possibility of uncertainty as to the nature of those powers

The reasons for the procedure contemplated would appear to be:—

(1) That an Ordinance can remain in force for six months only.
(2) That a Regulation requires publication and therefore publicity.

I understand that the Order in Council is a secret document, but I suggest for consideration whether secrecy is essential. English emergency law legislation such as the Defence of the Realm Act, Trading with the Enemy Act, &c., can be studied by anyone. In Aden during the war a system of martial law was in force. It must be common knowledge that in a similar state of emergency local authorities will be armed with or will assume special powers and anyone with curiosity to do so could forecast roughly the nature of the specific powers likely to be used. There may be reason for secrecy as regards detailed rules to be promulgated but as regards the broad provisions of the Order in Council I do not appreciate the need of secrecy. If such need exists an Indian Regulation on still broader lines could be framed.

I suggest that the following points be urged to the Government of India.

(1) That the declaration of the state of emergency be left to the Chief Commissioner as in the case of Crown Colonies.
(2) That the Regulation or Ordinance to come into effect on declaration of state of emergency be enacted now and not be left for promulgation until the emergency has arisen or is imminent.

12502/1/33 [No. 17].

No. 212.

FOREIGN AND POLITICAL DEPARTMENT, GOVERNMENT OF INDIA,

to

CHIEF COMMISSIONER, ADEN.

(Received in Colonial Office, 31st July, 1933.)

(Secret.)
(No. F 320-N/32.)

Simla, 6th July, 1933.

SIR,

WITH reference to your letter No. C 255, dated the 5th May, 1933,* I am directed to forward the accompanying copy of correspondence† and to say that the Government of India agree that the question of enacting emergency measures at Aden, should await the decision on the question of transfer of the control over the Civil Administration of Aden to His Majesty's Government.

I have, &c.,
R. R. BURNETT,
Deputy Secretary to the Government of India.

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* Enclosure 2 in No. 211.

† Nos. 207 and 208.

12502/1/33 [No. 19].

No. 213.

THE SECRETARY OF STATE to THE ACTING RESIDENT.

(Secret.)

SIR,

Downing Street, S.W.1, 23rd October, 1933.

I HAVE the honour to refer to your Secret despatch of the 12th of July,* and, in accordance with the request contained in paragraph 8 of the letter from the Officer Commanding British Forces at Aden, to transmit to you 10 proof copies of the Aden Defence Scheme (Volumes I and II) You will appreciate that these are advance copies, and that the Scheme has not yet been considered by the Oversea Defence Committee.

2. The carbon copy of Appendix I G. Volume II, received with the Scheme, contained several indistinct figures. As the final prints of the Scheme will not be put in hand for some time, I shall be glad if arrangements may be made to check this Appendix.

With reference to paragraph 3 of your despatch under reply, I have to inform you that the question of the means to be adopted for the enactment of Defence Rules will be considered in due course.

I have, &c.,
P. CUNLIFFE-LISTER

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* 12502/1/33 [No. 16]: not printed.

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Middle East
No. 47

Confidential.

PALESTINE.

ESTIMATES AND FINANCES, 1932.

CORRESPONDENCE.

(*In continuation of Middle East No.* 42 ; *continued by Middle East No.* 48.)

Printed for the use of the Colonial Office

Middle East
No. 47

Confidential.

PALESTINE.

ESTIMATES AND FINANCES, 1932.

CORRESPONDENCE.

(*In continuation of Middle East No.* 42 ; *continued by Middle East No.* 48.)

PALESTINE.

ESTIMATES AND FINANCES, 1932.

CORRESPONDENCE.

C. 87385/3/31 [No. 4].

No. 1.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 7th December, 1931.)

[*Answered by No.* 4.]

(No. 1043.)

SIR, High Commissioner's Office, Jerusalem, 28th November, 1931.

I HAVE the honour to refer to Lord Passfield's telegram No. 185 of the 22nd August,* with regard to the draft Estimates of the Palestine Government for the quarter ending the 31st March, 1932.

2. In that telegram the procedure was laid down that the Estimates would be approved at the rates appropriate to the Estimates for 1931 as provisionally accepted, provided that Departments were instructed to reduce their actual expenditure during the quarter as far as possible with a view to the preparation of a balanced Budget for the twelve months commencing on the 1st April, 1932.

3. To give effect to this procedure I shall cause a general warrant to be issued to the Treasurer to meet expenditure on Personal Emoluments during the quarter in respect only of approved posts and Open Votes for which provision exists in the Estimates for the year 1931. I shall also cause Heads of Departments to be instructed that no new appointments may be made, or vacancies filled or posts regraded; and that the expenditure under Open Votes must be kept within the limits of the accepted provision for 1931. I do not anticipate that the economies in Personal Emoluments which are now being effected as a result of the recommendations in the Report of the Financial Commission will become operative to any appreciable extent in the first quarter of 1932.

4. I forward herewith draft Estimates of Expenditure on Other Charges and Extraordinary Works.

The provision under each item of the draft Estimates of Expenditure on Other Charges does not, except in comparatively few cases, exceed a quarter of the corresponding provision in 1931.

It has, however, been necessary in certain cases to make additional provision so that financial allocations may be issued by Heads of Departments in respect of the cost of half-yearly Indents on the Crown Agents for stores, equipment, &c. These Indents are normally placed in the first quarter of the year but it does not follow that the whole amount provided in the draft Estimates will be expended in that quarter, as bills are not, in many cases, presented until some appreciable time after the goods are ordered. Explanations are given in the Remarks Column and in a separate memorandum† on the draft Estimates of excesses over approved provision in 1931 which are due to other special circumstances.

5. No new item appears in the Schedule of Public Works Extraordinary, which provides merely for the continuation of works already approved. The proposed provision for Posts and Telegraphs Extraordinary is also in respect of continuation services and the amount is less than a quarter of the figure of £P.12,000 which the Financial Commission (see paragraph 169 of its Report) considered would suffice for expenditure annually for the works in question.

6. I also forward herewith a draft Estimate of Revenue for the quarter ending the 31st March, 1932.

7. The totals of the draft Estimates of Expenditure, including Personal Emoluments, Other Charges and Extraordinary Works are set out below :—

	One quarter 1931. £P.	1*st January*, 1932. 31*st March*, 1932. £P.
Personal Emoluments	288,760	290,171
Other Charges and Extraordinary Works ...	315,400	257,572
	£P.604,160	£P.547,743

* C. 87385/3/31 [No. 1] : not printed.

† Not printed.

The decrease under 1931 is therefore £P.56,417. The estimated revenue for the period is £P.552,815.

In his telegram No. 267 of the 7th November,* the Officer Administering the Government informed you that the surplus balance at the 31st March would be £P.614,000. The estimate of revenue during the first quarter of 1932 on which that calculation was based was £P.553,215; and the estimate of expenditure on all services was £P.544,100. The figure of surplus balance at the 31st March, 1932, should therefore be reduced by £P.4,043.

8. I am addressing you separately with regard to the draft Estimates of the Trans-Jordan Frontier Force, as to which the Officer Administering the Government addressed your predecessor in his telegram No. 80 of the 24th October.†

9. The draft Estimates for the Palestine Census were submitted with despatch No. 976 of the 7th November‡ from the Officer Administering the Government.

10. The Director of Development has proposed that provision of £P.5,000 should be made for experimental work in connexion with development. I consider, however, that as the authorization to expend £P.50,000 referred to in Lord Passfield's despatch No. 487 of the 26th June§ (paragraph 5 (iii) (*e*)) had not yet been given, it is inadvisable to include the suggested provision.

I have, &c.,
A. G. WAUCHOPE,
High Commissioner for Palestine.

Enclosure I in No. 1.

PALESTINE ESTIMATES, 1ST JANUARY TO 31ST MARCH, 1932.

SUMMARY OF EXPENDITURE BY HEADS EXCLUDING PERSONAL EMOLUMENTS.

	Heads of Expenditure.	*One-quarter of Estimates* 1931.	*Estimates 1st January to 31st March,* 1932.
		£P.	£P.
I	Pensions	4,515	4,465
II	Public Debt and Loan Charges... ...	31,087	—
III	High Commissioner	199	289
IV	Secretariat	429	487
V	District Administration	6,187	5,607
VI	Legal	327	332
VII	Judicial	1,810	1,713
VIII	Treasury	125	90
IX	Audit	497	427
X	Customs, Excise, and Trade	2,958	3,105
XI	Health	8,049	7,591
XII	Education	9,417	6,878
XIII	Agriculture and Forests	9,774	8,695
XIV	Antiquities	651	423
XV	Land Settlement...	595	493
XVI	Land Department	493	262
XVII	Survey Department	2,591	1,676
XVII (*a*)	Department of Development	—	231
XVIII	Police and Prisons	41,633	43,948
XVIII (*a*)	Immigration and Travel	466	375
XIX	Trans-Jordan Frontier Force	19,198‖	13,444‖
XX	Defence	9,500	23,000
XXI	Posts and Telegraphs	14,553	16,177
XXII	Public Works Department	1,625	1,437
XXIII	Public Works Recurrent	42,650	34,600
XXIV	Miscellaneous	30,045	26,737
	Total Ordinary	£P.239,374	£P.202,482

* C. 87385/31 [No. 5]: not printed.
† C. 89506/31 [No. 2]: not printed.
‡ C. 87247/31 [No. 37]: not printed.
§ C. 87402/31 [No. 145]: not printed.
‖ Detailed Estimates by separate despatch.

		£P.	£P.
XXV	Posts and Telegraphs Extraordinary ...	5,255	2,900
XXVI	Public Works Department Extraordinary	65,460	47,800
XXVII	Trans-Jordan Frontier Force Extraordinary	5,311*	4,390*
	Total Extraordinary	£P.76,026	£P.55,090
	TOTAL ...	£P.315,400	£P.257,572

Enclosure 3 in No. 1.

PALESTINE ESTIMATES.

1ST JANUARY TO 31ST MARCH, 1932.

Heads of Revenue.	*Actual Revenue 1st January, 1931 to 31st March, 1931.*	*One-quarter of Revenue Estimates 1931.*	*Estimated Revenue 1st January, 1932, to 31st March, 1932.*	*Remarks.*
	£P.	£P.	£P.	
1. Customs	230,451	243,875	235,100	
2. Port and Marine	2,787	2,300	2,500	
3. Licences, Taxes, &c.	145,675	201,475	140,000	
4. Fees of Court or Office, &c. ...	69,075	60,575	65,000	
5. Posts and Telegraphs	51,839	55,800	53,000	
6. Revenue from Government Property	2,793	4,500	2,500	
7. Interest	13,758	16,750	6,000	
8. Miscellaneous	900	11,250	1,000	
TOTAL	£P.517,278	596,525	505,100	
9. Land Sales	2,051	1,000	1,000	
10. Railways (Excess of Revenue over Expenditure)	—	—	16,600	
TOTAL	£P.2,051	1,000	17,600	
11. Grant-in-aid	117,159	35,750	30,115	
TOTAL REVENUE	£P.636,488	633,275	552,815	

C. 87385/3/31 [No. 6].

No. 2.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 3.]

Downing Street, 24th December, 1931.

SIR,

I AM directed by Secretary Sir Philip Cunliffe-Lister to refer to Lord Passfield's telegram No. 185 of the 22nd August† to the High Commissioner for Palestine, which formed the enclosure to the letter from this Department of the 15th September,‡ and to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch§ received from the High Commissioner, forwarding draft Estimates for the quarter ending the 31st March, 1932. The necessary reference to correspondence with the Treasury have been inserted.

2. Their Lordships will observe that the High Commissioner has adhered strictly to the instructions contained in the telegram under reference, and that the Estimates show an excess of revenue over expenditure for the quarter of £5,072, with the result

* Detailed Estimates by separate despatch.
† C. 87033/3/31 [No. 4]: not printed.
‡ C. 87033/3/31 [No. 9]: not printed.
§ No. 1.

that the estimated figure of surplus balance at 31st March, 1932, becomes £609,957 instead of the figure of £614,000 given in the enclosure to the letter from this Department of the 13th November.*

3. Subject to Their Lordships' concurrence the Secretary of State proposes to approve these Estimates (with the exception of Head XIX, Trans-Jordan Frontier Force, and Head XXVII, Trans-Jordan Frontier Force Extraordinary, which will form the subject of a separate communication), on the understanding that the personal emoluments block vote covers approved posts only, and that no new appointments are made, vacancies filled or posts regraded, without his prior sanction.

4. I am to add that in view of the terms of paragraph 4 of your letter S.36836 of the 14th of December,† the Secretary of State proposes to instruct the High Commissioner to incur no expenditure for the present in connexion with the proposed new post office at Jerusalem (Head XXIII, Item 43).

5. I am to request that an early reply may be sent to this letter.

I am, &c.,
O. G. R. WILLIAMS.

C. 97005/3/32 [No. 6].

No. 3.

TREASURY to COLONIAL OFFICE.

(S. 36910.)

Treasury Chambers, 6th January, 1932.

SIR,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Williams's letter of the 24th December, 1931,‡ enclosing a copy of a despatch from the High Commissioner for Palestine with the draft Estimates for the quarter ending 31st March, 1932, and They direct me to request you to convey to the Secretary of State the following reply.

My Lords note that the High Commissioner has adhered strictly to the instructions conveyed to him by telegram No. 185 of the 22nd August, 1931,§ in which he was informed that, with certain exceptions, the Estimates for this quarter would be approved at the rate appropriate to the Estimates for 1931 provided that Departments were instructed to reduce their annual expenditure during the quarter so far as possible with a view to the preparation of a balanced Budget for the 12 months beginning 1st April, 1932.

In these circumstances My Lords concur in the proposal of the Secretary of State to approve the Estimates (with the exception of Head XIX, Trans-Jordan Frontier Force and Head XXVII, Trans-Jordan Frontier Force Extraordinary, with which it is proposed to deal by separate communication) on the understanding that the block Vote for personal emoluments covers approved posts only, and that no new appointments will be made, vacancies filled or posts regraded, without his prior sanction.

My Lords note that the High Commissioner will be instructed not to incur any expenditure for the present in connexion with the proposed new Post Office at Jerusalem (Head XXIII, Item 43). They also note that the schedule of Public Works Extraordinary provides only for the continuation of works already approved and contains no new item.

I am, &c.,
R. V. NIND HOPKINS.

C. 97005/3/32 [No. 7].

No. 4.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 1.25 p.m., 7th January, 1932.)

TELEGRAM.

No. 6. YOUR despatch of 28th November, No. 1043.‖ Estimates approved.
—CUNLIFFE-LISTER.

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* C. 87385/31 [No. 6]: not printed. † C. 87401/31 [No. 7]: not printed.
‡ No. 2. § C. 87038/3/31 [No. 4]: not printed. ‖ No. 1.

C. 97005/32 [No. 1].

No. 5.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 13th January, 1932.)

[*Answered by Nos.* 17 *and* 18.]

(Confidential.)

High Commissioner's Office, Jerusalem, 31st December, 1931.

SIR,

I HAVE the honour to transmit herewith draft Estimates of Revenue and Expenditure* for the twelve months from the 1st April, 1932, to the 31st March, 1933.

I enclose also the following documents:—

(1) A memorandum† by the Treasurer on the estimated revenue.
(2) A detailed memorandum† on expenditure.
(3) A memorandum† on the Railway Estimates

2. The estimated surplus balance at the 31st December, 1931, is £P.582,861 and at the 31st March, 1932, £P.587,933. The estimated revenue for the year 1932-33 is £P.2,426,583 and the estimated expenditure from revenue is £P.2,421,091, and from surplus balances £P.55,600, totalling £P.2,476,691.

3. The estimate of expenditure includes Ordinary Expenditure £P.2,213,905, Extraordinary Expenditure £P.168,502, Deficit on the Railways £P.94,284.

Extraordinary Expenditure on Public Works (Head XXX) includes a sum of £P.10,000 (Item 81) towards the cost of the building of a Police Training School which it is intended should be met from surplus balances. The Railways deficit, namely £P.94,284, includes a contribution of £P.45,600 from surplus balances to the Palestine Railway Renewals Fund. This contribution from the general revenues of Palestine towards Railways expenditure has been made in consequence of the recommendation contained in paragraph 240 of the Report of the Financial Commission.

4. After deducting the sum of £P.55,600 (*i.e.*, £P.10,000 for Police Training School and £P.45,600 for Railway Renewals Fund) from the total expenditure, the excess of revenue over expenditure for the year is £P.5,492.

Taking into account the expenditure of £P.55,600 from surplus balances the estimated balance on the 31st March, 1933, is £P.537,825.

5. The estimate of revenue is explained in the Treasurer's memorandum, but I invite attention particularly to the Treasurer's observations regarding the anticipated revenue from Customs and Tithes.

I endorse the Treasurer's opinion that the receipts from Customs Import Duties must be assessed on a conservative basis and as regards tithes, although there is, at the moment, an upward tendency in the price of local products, it is improbable that prices will attain in 1932 the level on which the tithe was commuted.

6. The estimates of expenditure have been prepared in the light of the recommendations of the Financial Commission and effect has been given to these recommendations in the estimates in so far as they have been accepted by this Government.

7. Moreover, in framing these estimates, the paramount need for economy on the part of Colonial Governments with a view to alleviating the burdens falling on His Majesty's Government which was emphasized in Mr. Thomas' Circular despatch of the 19th September, 1931,‡ has been borne in mind and it has been the endeavour of this Government to effect every possible economy with that end in view.

8. The vote for Defence (Head XXIV) has been increased to £P 104,000.

The liability of the Palestine Government in regard to the cost of the garrison excluding the Trans-Jordan Frontier Force is as follows:—

(*a*) One-half of the excess cost of Royal Air Force Units in Trans-Jordan and Palestine.
(*b*) Excess cost of Army Units in Palestine.
(*c*) Whole cost of Capital Works for Royal Air Force Units in Palestine.
(*d*) Difference between public and preferential railway rates in respect of Royal Air Force and Army Units.

The contribution by Palestine in respect of items (*a*) to (*c*) was assessed by His Majesty's Government at £55,000 for the year 1931-32, Palestine also defraying the cost of local services (£P.25,000) and item (*d*) (£P.12,000) directly. Charges for Royal Air Force traffic on the Railways at preferential rates have been and are being reimbursed to the Railways directly by the Royal Air Force until 31st March, 1932; and provision has been made in the Estimates, 1932-33 for Palestine to meet these charges, which in 1930 amounted to £P.12,000.

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* Not printed here. † Not printed. ‡ Not reprinted.

9. The Estimates show moreover a decrease of £P.8,517 in the grant-in-aid payable by His Majesty's Government to meet three-fourths of the cost of the Trans-Jordan Frontier Force. The Estimates of the Frontier Force have been the subject of a separate despatch Confidential, Trans-Jordan, dated 31st December, 1931.*

10. In accordance with the recommendation in paragraph 2 (6) of the Report of the Financial Commission, I propose that these Estimates, when they have been approved, should be made available to the general public.

11. I request that I may be notified of your decision in regard to these Estimates before the beginning of the new financial year and, in this connexion, I venture to invite reference to the recommendations contained in paragraphs 4 and 5 of the Report of the Financial Commission.

I have, &c.,
ARTHUR WAUCHOPE,
High Commissioner for Palestine.

C. 97028/32 [No. 1].

No. 6.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 3 p.m., 16th January, 1932.)

TELEGRAM.

[*Answered by No.* 14.]

No. 20. CONFIDENTIAL. (1) In a separate telegram your attention is being drawn to present restriction of borrowing facilities in this country Financial situation further demands that your Government should make largest possible contribution towards its defence liability. In the circumstances it appears desirable to review all proposals for expenditure on capital services, *e.g.*, your telegram of 18th August, 1930, No. 232,† and Sections 294 and 295 of Financial Commission Report.

(2) Glad if you will survey whole field of outstanding capital requirements over next three years on assumption that apart from possibility of local loans (as to which you are in best position to form an opinion) recourse can only be had to local revenues and balances, and if you forward by despatch summary of such requirements in order of urgency stating approximate cost of each and how you would propose to find funds In each case state to what extent plans can be modified in order to provide for essential needs within limit of funds available. Details of schemes not required at this stage. In this connexion glad if you will give special consideration to following points :—

(*a*) whether in order to provide funds for more urgent services certain of the works to be met out of balances of loan Head 4 see your despatch of 24th December, No. 1137,‡ should not be postponed, and whether provision for Public Works Extraordinary in Estimates 1932-33 should not be curtailed;

(*b*) importance of providing funds to cover minimum additional works required in near future to render Haifa Harbour serviceable, *e.g.*, drainage and works mentioned in Section 295 (1) of Financial Commission Report.

(3) Assistance from Colonial Development Fund might be forthcoming for suitable works but resources of Fund during next two years are severely limited, see my Circular despatch of 27th October, 1931.§ I would suggest that you should furnish a list of those works included in summary which Fund might be asked to assist showing separately :—

(*a*) minor works for which free grant of capital might be asked, and

(*b*) larger works in respect of which grant of interest charges might be sought if capital cost met from local loan or surplus balances.

(4) In view of bearing of this question on draft Estimates 1932-33 early reply would be appreciated.

(5) For purpose of summary asked for account need not now be taken of expenditure which may be required in connexion with Development Scheme, but when proposals for development are available and position in regard to scheme is clearer it will be necessary to consider whether financing of scheme will involve reduction in expenditure on capital services which would otherwise have been permissible.—CUNLIFFE-LISTER.

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* No. 61 in Middle East No. 45. † C. 77336/30 [No. 4] : not printed.
‡ C. 87023/31 [No 1] : not printed. § Not reprinted.

C. 97028/32 [No. 3].

No. 7.

TREASURY to COLONIAL OFFICE

[*Answered by No.* 21.]

(S. 36836.)

SIR, Treasury Chambers, 21st January, 1932.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Williams's letter of the 12th instant,* further relative to the proposed re-allocation of Loan moneys under Heads 3 and 4 of the First Schedule to the Palestine and East Africa Loans Act, 1926, in order to provide for the increase in the estimated cost of the Haifa Harbour Works, and They now direct me to request you to convey to the Secretary of State the following reply.

2. My Lords note that a Palestine Harbour Works Department has been temporarily constituted to carry out the work of construction, and that this Department is in possession of plans, specifications, and quantities, such as will enable it to ensure that the total cost of the main Haifa Harbour scheme will ultimately not exceed the revised estimate of £1¼ millions.

3. On the other hand the Consulting Engineers have drawn attention to the necessity for additional expenditure on certain works consequential to the Harbour scheme, such as the provision of main drainage and water supply, the diversion of the railway, in connexion with the development of an area on the Harbour front which will be reclaimed, and other works such as the construction of a Customs shed and offices and certain quarters.

4. My Lords note that no provision was made in the original programme for these auxiliary works, some or all of which are apparently necessary for the complete construction and essential to the successful working of the Harbour scheme. Normally recourse should have been had to Loan moneys for financing consequential works of this description, and adequate funds allotted for the purpose under Head 4 of the Schedule. The balance of Loan moneys now available however appears to be insufficient for executing the works in question.

5. My Lords view with concern the possibility of a further serious burden on the Palestine Budget especially at a time of grave financial stringency, when a subvention is being made to Palestine revenues from the Imperial Exchequer. They realize, however, that the Harbour cannot be left in an unfinished condition, such as would hinder or even prevent its profitable use; and They agree therefore that the High Commissioner should be asked at an early date to state the minimum expenditure required on works which are essential in order to enable full use to be made of the new Harbour, and the manner in which he would propose to provide the requisite funds. Meantime My Lords must request that the available balance of Loan moneys under Head 4 should remain intact.

6. In the circumstances represented to My Lords and on the understanding that the estimate of the cost of construction amounting to a sum not exceeding £1¼ millions is adhered to, Their Lordships are prepared to agree that the provision from Loan moneys under Head 3 of the statutory schedule for expenditure on the construction of Haifa Harbour proper be increased to the total of £1¼ millions, such excess being met by a saving of £14,000 in respect of the Jaffa Port improvements and by the transfer of a sum not exceeding £236,000 from savings on works specified in Head 4 of the Schedule.

7. I am to add that on receipt of the further information which it is proposed to ask the High Commissioner to furnish, My Lords will be ready to give further consideration to the question of authorizing expenditure on the ancillary works referred to.

I have, &c.,
R. V. NIND HOPKINS.

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* C. 87058/31 [No. 92] : not printed.

C. 97005/32 [No. 11].

No. 8.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 11.]

SIR, Downing Street, 12th February, 1932.

I AM directed by Secretary Sir Philip Cunliffe-Lister to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch* from the High Commissioner for Palestine covering the draft Estimates of that Territory for the financial year 1932-33, together with a memorandum on details of the Estimates prepared in this Department and three appendices: Appendix I summarizing the financial position as shown in the printed Estimates, and Appendices II and III containing tables comparing the estimated revenue and expenditure for 1932-33 by Heads with the original and revised Estimates for the year 1931 and the Estimates of the Financial Commission for the year 1932 Copies of the printed draft Estimates and the Treasurer's memorandum have already been sent to the Treasury semi-officially.

2. Such explanations and comments as the Secretary of State desires to offer with regard to details of revenue and expenditure, in addition to those contained in the Treasurer's printed memorandum, are contained in the enclosed memorandum, and this letter will be confined to a survey of the general financial position.

Surplus Balances.

3. It will be seen from Appendix I that the actual surplus balance at the 31st December, 1930, was £626,111—which, it is estimated, will have been reduced to £587,933 by the 31st March, 1932. The draft Estimates as printed provide for a surplus on the year's working of £5,492 and for a further expenditure of £55,600 from surplus balances, thus reducing the surplus to £537,825 by the 31st March, 1933. Assuming, as in paragraph 293 of the Financial Commission's Report, that out of the surplus a sum of £150,000 must be reserved for a working balance and a further sum of £130,000 must be regarded as "impounded," the "free" surplus available at the 31st March, 1933, would be £257,825.

Revenue.

4. Appendix II shows that revenue in 1932-33, ignoring the grant-in-aid for the Trans-Jordan Frontier Force, is estimated at £2,292,100: this is £203,350 in excess of the revised estimate of revenue for 1931, but it is less by £98,000 than the original estimate of revenue for 1931 and less by £148,000 than the Financial Commission's estimate of revenue for the year 1932. As shown in the enclosed memorandum, Revenue, Head I, Item 1, and Head V, Item 5, certain changes in the customs rates have been approved and an increase in the foreign postal rate is under consideration. It has been ascertained that the changes in the customs tariff were taken into account when the estimates of revenue were prepared. The High Commissioner has, however, recommended that, as the revenue from import duties in 1931 actually reached a total of £920,000, the estimate of revenue from this source in 1932-33 should be increased by £10,000; and, on the assumption that the proposed change in the foreign postal rate will be approved, allowance may be made for an increase of £3,000 under Head V, Item 5.

5. It appears likely that the estimate of receipts from tithes (Head III, Item 17) may prove to be excessive, as may also the Railway Department's estimate of receipts from Coaching and Goods (Head XXXII), but the Secretary of State does not think it necessary to suggest any alteration of these figures. With the additions mentioned above, the estimate of revenue (less grant-in-aid for the Trans-Jordan Frontier Force) amounts to £2,305,100, thus falling short of the revenue anticipated by the Financial Commission in 1932 by £135,000. It will be seen on examination of Appendix II that the discrepancy between these Estimates and those of the Financial Commission is to be accounted for mainly (*a*) by the falling off of customs receipts due to the economic depression, the extent of which was possibly not foreseen by the Commission, (*b*) under Head II by the fact that the time is not yet ripe for the imposition of the wharfage dues at Haifa recommended by the Financial Commission, and (*c*) under Head VIII by the fact that the estimates of receipts from Currency Board profits is now £25,000 instead of £60,000 as anticipated by the Commission. It has not been possible to obtain any definite estimate of these receipts from the Currency Board, and the estimate of £25,000 must be regarded as highly speculative.

* No. 5.

Expenditure.

6. A careful examination of the estimates of expenditure shows that, in general, the proposals for economy contained in the Report of the Financial Commission have been carried out subject to such modifications as have already been sanctioned by Their Lordships. References to previous correspondence with the Treasury on the subject of these economies are contained in the enclosed memorandum, where it is also noted that in the case of the Judicial Department a decision on the recommendations of the Financial Commission has been deferred pending the submission of proposals for the complete reorganization of the Department, that the proposed economies in the Agricultural Department are also under consideration and that, in the case of a few Departments, *e.g.*, the District Administration, certain minor points are still outstanding. Deducting the expenditure (£134,483) under Head XXIII, which will be met from a grant-in-aid, and leaving out of account the proposed expenditure of £45,600 on Railway Renewals Fund and £10,000 under Head XXX, Public Works Extraordinary, on the Police training school, both of which items were regarded by the Commission as a charge against surplus balances (paragraph 294 of the Report), the total expenditure shown in the printed Estimates becomes £2,286,608. Under Head XXIV, Defence, it is suggested in the enclosed memorandum that provision should be made for a total contribution to Imperial funds in respect of "defence" of £90,000 instead of £92,000, thus reducing the figure of total expenditure to £2,279,608. This figure is less by £31,910 than the total expenditure for 1932 contemplated by the Financial Commission (deducting £143,000 in respect of the Trans-Jordan Frontier Force).

7. It is true that the estimate of the Financial Commission allowed for certain expenditure shown in Appendix III to the enclosed memorandum (to a net total of £14,000) for which no provision has been included in the printed Estimates, but, on the other hand, the Commission made no allowance for expenditure on Development, Head XX, in respect of which a sum of £7,701 is provided in the printed Estimates, and, so far as their Report shows, the Commission made no allowance for a normal increase of expenditure arising from increments, which, as a result of examination of the Estimates in this Department, is estimated to amount to approximately £15,000. In the circumstances, the Secretary of State trusts that Their Lordships will agree that the High Commissioner's estimates of expenditure have been framed with due regard for economy.

8. I am to add that in a despatch of the 2nd of January,* of which a copy is being sent to the Treasury in a separate letter, the High Commissioner has recommended additional expenditure to a total of £7,064 (£2,800 Capital and £4,264 Recurrent) on the provision of further accommodation for lunatics In a despatch of 9th January† (see memorandum Head XXVI, Item 20) the High Commissioner proposes that two posts of Temporary Architect should be reinstated at a cost of £1,170. These additions would bring the total expenditure as amended above to the figure of £2,287,842.

Defence Contribution.

9. With regard to the provision under Head XXIV, Defence, Items 2 and 5, I am to refer to the letter from this Department of the 13th November last,‡ in which it was proposed that Palestine's contribution to Imperial Funds under this Head should in the year 1932-33 be calculated on the same basis as in the current year, that is to say, that the contribution should be limited to a sum of £55,000, plus the cost of "local" services. It was stated in that letter that the Secretary of State would be prepared to reconsider the matter when more definite figures of estimated revenue and expenditure were available. The Secretary of State does not consider that the financial position as revealed by the draft Estimates affords justification for asking the Government of Palestine to increase the contribution beyond the figure originally contemplated and, as shown under Head XXIV in the enclosed memorandum, the view is expressed that the estimate of the cost of "local services" can be reduced from £37,000 to £30,000, making a total contribution of £85,000. This matter has, however, been discussed with representatives of the Treasury, and it has been agreed that, in all the circumstances it would be reasonable to require the Palestine Government to contribute in 1932-33 a total sum of £90,000 This figure has accordingly been inserted as an Appropriation-in-Aid in the Colonial and Middle Eastern Services Vote.

* C. 97302/32 [No. 8]: not printed. † C. 97339/32 [No. 1]: not printed.
‡ C. 87385/31 [No. 9]: not printed

Conclusion.

10. In the light of the above observations. the Estimates of Revenue and Expenditure for the year 1933 may be revised as follows:—

Revenue.	£	*Expenditure.*	£	£
Estimates figure, omitting Grant-in-Aid for Trans-Jordan Frontier Force.	2,292,100	*Estimates figure*		2,476,691
		Less Trans-Jordan Frontier Force expenditure to be met from Grant-in-Aid.	134,483	
Add in respect of increased customs duties.	10,000	Police Training School—to be met from balances.	10,000	
Add in respect of increased postal rates.	3,000	Saving on Defence, Head XXIV.	2,000	
		Saving on Railway Renewal Fund.	5,600	152,083
				2,324,608
		Add for Architects' Mental Hospital ..		8,234
Total ..	£2,305,100	Total ..		£2,332,842

Deficit on the year's working = £27,742.

11. As stated in paragraph 7 above, the Secretary of State is satisfied that the estimates of expenditure have been framed on an economical basis. He has, however, had occasion recently (in a telegram of the 16th January,* of which a copy was enclosed in Colonial Office letter of the 21st January†) to draw the attention of the High Commissioner to the importance of conserving the surplus balances of Palestine, in view of the present restrictions of borrowing facilities in this country and the necessity with which the territory is faced of finding funds for various urgent capital services. In the circumstances he does not feel able to ask Their Lordships to approve the High Commissioner's proposal to charge to surplus balances the contribution to the Railway Renewals Fund and the expenditure on the Police training school, although, as already observed, this procedure was contemplated by the Financial Commission. While regretting the necessity for calling upon the High Commissioner to effect further economies, he feels that he has no alternative but to ask him to submit proposals for balancing the Estimates of Revenue and Expenditure (including expenditure on the Railway Renewals Fund, reduced to £40,000 in accordance with the terms of Treasury letter No. E. 2474 of the 23rd December‡) either by reducing such items of expenditure as he may select under other Heads than Public Works Extraordinary so as to effect a saving of £27,742, or by imposing additional taxation which will secure an equivalent amount of revenue, or by the employment of both expedients.

12. At the same time, in view of the terms of his telegram of the 16th of January, the Secretary of State would propose to remind the High Commissioner that it may be necessary to reduce the provision under the Head, Public Works Extraordinary, in order to provide funds for requirements of a more urgent nature, and to inform him that for the time being the provision under Public Works Extraordinary should be limited to £100,000.

13. I am to enclose the draft of a telegram§ in this sense which it is proposed, subject to Their Lordships' concurrence, to send to the High Commissioner. The Secretary of State will be glad to be informed as soon as possible whether Their Lordships concur with the terms of this draft.

I am, &c.,
O. G. R. WILLIAMS.

Enclosure 2 in No 8.

COLONIAL OFFICE MEMORANDUM.

REVENUE.

Head I.—Customs.

Item 1.—The amount included under this item should be revised in the light of the customs' tariffs changes approved in the Secretary of State's telegram No. 28 of the 27th January, 1932‖ (Treasury letter S. 29424/2 of the 26th January, 1932¶).

* No. 6. † C. 97028/32 [No. 2]: not printed. ‡ C. 87269/31 [No. 8]: not printed.
§ Printed as No. 10. ‖ C. 97035/32 [No. 5A]: not printed.
¶ C. 97035/32 [No. 6]: not printed.

Head II.—Port and Marine.

See Colonial Office letter of the 19th January* and Treasury reply S. 29424/2 of the 26th January as to the decision on the Financial Commission's proposal for a wharfage due on all oranges exported.

Item 3.—The Secretary of State is communicating with the High Commissioner on the question of the revision of the rates of light dues.

The payment by M. de Vauréal referred to in the Treasurer's memorandum has already been made.

Head III.—Licences, Taxes, &c.

Item 9.—The proposal to reduce the licence fees is under reference to the Treasury (Colonial Office letter of the 26th January, 1932†).

Item 11.—The proposed reduction of fees has been approved (Treasury letter S. 36545 of 15th January, 1932,‡ and the Secretary of State's telegram No. 21 of the 18th January, 1932§).

Item 17.—The Financial Commission considered that it would be unsafe to reckon on a reduction of less than £80,000 The Treasurer's figure represents a reduction of only £40,000. In the circumstances, it is, perhaps, doubtful whether the amount included under this item will be realized.

Item 19.—The proposed increase of excise duty on matches has been approved (Treasury letter S. 29424/2 of the 2nd January, 1932,‖ and the Secretary of State's despatch to the High Commissioner No. 31 of the 12th January, 1931¶).

Item 21.—The proposal to increase the excise duty on tobacco has been approved (Treasury letter S. 36545 of the 15th January, 1932,‡ and the Secretary of State's telegram No. 21 of the 18th January, 1932§).

Head IV.—Fees of Court, &c.

Item 7.—The amount should presumably be revised in the light of the recent increase in passport fees (see High Commissioner's despatch No. 1123 of the 24th December,** copy enclosed with Colonial Office letter to Treasury of the 16th January††).

Head V.—Posts and Telegraphs.

Item 5.—The High Commissioner has reported that he is opposed to an increase in the inland postage rate as recommended by the Financial Commission, but he has suggested an increase in the foreign postal rate, which, it is anticipated, will bring in the additional revenue expected from the Financial Commission's proposal. This item may require revision in the light of the decision as to the proposed increase of the foreign postal rate.

EXPENDITURE.

Head IV.—Secretariat.

Item 10.—The High Commissioner's original proposal for the staffing of the Secretariat and District Administration (paragraphs 3 (*h*) and (*i*) of Colonial Office letter of 17th November, 1931‡‡) involved the appointment of two additional Assistant Secretaries (£P.550 by £25 to £P.750) in the Secretariat, making the total number of Assistant Secretaries of that grade up to three.

It is clear from paragraph 11 of the Financial Commission's Report that its recommendations were based on an establishment of five Assistant Secretaries, that is, three on the scale of £P.750 by £25 to £P.950 and two on the scale £P.550 by £25 to £P.750. The provision made under Items 6 and 10 is, therefore, in accordance with the Financial Commission's recommendation which contemplated (paragraph 15 of the Report) an additional Assistant Secretary (£P.550 by £25 to £P.750).

The High Commissioner has, however, since recommended that the additional Assistant Secretary, whom it was proposed to appoint to the Secretariat, should be transferred to District Administration. A letter is being addressed to the Treasury in regard to this recommendation. Subject to its approval, posts provided for under Item 10 should presumably be reduced by one.

Provision has been made for the Press Bureau, Items 23 to 29, 38, and 44 in accordance with the proposals agreed to in Treasury letter E. 26686 of the 14th October, 1931.§§

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* C. 97035/32 [No. 4]: not printed.
† C. 87443/31 [No. 2]: not printed.
‡ C. 97309/32 [No. 3]: not printed.
§ C. 97309/32 [No. 4]: not printed.
‖ C. 97035/32 [No. 1]: not printed.
¶ C. 97035/32 [No. 2]: not printed.
** C. 97100/32 [No. 1]: not printed.
†† C. 97100/32 [No. 2]: not printed.
‡‡ C. 87363/31 [No. 18]: not printed.
§§ C. 87168/31 [No. 19]: not printed.

Head V.—District Administration.

Item 7.—If the High Commissioner's modified proposals in regard to the staff of the District Administration, as to which a letter is being addressed to the Treasury, are adopted, there will be six serving Assistant District Commissioners, that is, two over the establishment originally proposed. This would bring the number of Assistant District Commissioners serving and seconded up to eleven. It is suggested that the five seconded officers should be shown separately under this Head, as are the officers seconded to Trans-Jordan.

Provision has apparently been made for the salaries of the three Assistant District Commissioners seconded to Land Settlement. The provision for these salaries appears to have been made also under Head XVII, Land Settlement, Item 4. If this is so, the provision made under District Administration, Item 7, should be struck out. In any case, provision would more appropriately be included under the Land Settlement Head.

Head VI.—Legal.

Item 3.—New appointment agreed to in Treasury letter E. 16196 of the 19th November, 1931.*

Head VII.—Judicial Department.

The Acting High Commissioner's decisions on the recommendations of the Financial Commission are to be further considered when the detailed scheme of reorganization asked for in the Secretary of State's despatch No. 682 of the 9th September, 1931,† is received. Colonial Office letter of 9th September.‡)

In the meantime effect has been given in the 1932 draft Estimates to the Financial Commission's recommendations in favour of the abolition of Land Courts (involving reduction of two Presidents of Land Courts and two Judges of Land Courts) and of the appointment of three Chief Magistrates.

Other reductions recommended by the Financial Commission are six Palestinian Judges and three Palestinian Magistrates. A decision as to the future establishment of Judges (other than those of Land Courts) and Magistrates must await the detailed scheme of reorganization referred to above, but no substantive or acting appointments should be made in the meantime.

Approval of this Head will be subject generally to revision in the light of the decisions on outstanding recommendations on the receipt of the detailed scheme of reorganization.

Item 5.—Additional appointment agreed to in Treasury letter E. 16196 of the 29th September, 1931,§ on the understanding that it was a supernumerary post to be absorbed on the occurrence of a vacancy in the authorized establishment and without prejudice to the recommendations of the Financial Commission. In the event of a vacancy occurring in the establishment before a decision as to the future establishment is taken, it should be left unfilled.

Item 15.—The figure in the Chief Secretary's memorandum should presumably read " 2 " instead of " 3."

Head X, Customs, Excise and Trade.

Provision for staff has been made in accordance with the proposals agreed to in Treasury letter E. 15124 of the 24th October.‖ (See also Colonial Office letter of the 30th December.¶)

Items 22, 24 *and* 26.—For explanation of regradings see paragraph 158 of the Financial Commission's Report.

Item 42.—Payment of 50 per cent. of pilotage fees to the Port Officer agreed to in Treasury letter E. 27052 of the 22nd December, 1931.**

Item 49.—Agreed to in Treasury semi-official letter S. 35956/01/3 of the 28th December.†† Provision should be revised if the launch is ordered before 1st April, 1932.

Head XI.—Department of Health.

Provision for staff may require revision when a decision is taken on the High Commissioner's modified proposals, which were forwarded to the Treasury for concurrence in Colonial Office letter of the 13th January, 1932.‡‡

* P.F. 22184 [No. 64]: not printed.
† C. 87325/31 [No. 4]: not printed.
‡ C. 87325/31 [No. 6]: not printed.
§ P.F. 16203 [No. 36]: not printed.
‖ C. 87338/31 [No. 6]: not printed.
¶ C. 87338/31 [No. 11]: not printed.
** C. 87352/31 [No. 10]: not printed.
†† C. 87415/31 [No. 3]: not printed.
‡‡ C. 87331/31 [No. 11]: not printed.

The increases under Items 12, 22, 26 to 30, 36, 83, 102, and 103 arising out of the scheme for the provision by Government of additional hospital facilities in the Northern District were approved in Treasury letter S. 36914 of the 31st December, 1931.*

Head XII.—Education.

Items 4, 8, 10 *and* 11.—The increases provided under these Items for increments do not correspond with the respective rates of the increments. It is proposed to draw attention to this.

Item 10.—The figure in the third column, that is the number of posts in 1932-33, should presumably be " 4 " and not " 2."

Item 25.—The dash in the third column should presumably be replaced by the figure " 1."

Head XVI.—Antiquities Department.

The recommendations of the Financial Commission relating to this Department are receiving further consideration by the Government of Palestine. (Secretary of State's Confidential despatch of 28th November,† copy to Treasury in Colonial Office letter of 30th November.‡)

Appendix " D " gives the estimated expenditure on the Archæological Museum, which is paid for out of the funds provided for the purpose by Mr. John D. Rockefeller, Junior.

Heads XIII, XIV and XV.—Departments of Agriculture, Forests and Animal Health.

The conclusions of the Officer Administering the Government on the recommendations of the Financial Commission relating to these Departments have been considered by the Secretary of State's Advisers and are at present receiving the consideration of the Lords Commissioners of the Treasury (Colonial Office letter to Treasury of the 29th January§). Approval of these Heads must, therefore, be made subject generally to revision in the light of the decisions on Mr Young's conclusions.

Head XIII.—Agriculture.

Clerical Staff.—One Chief Clerk is provided under Item 9; 13 Clerical Officers under Item 11, five under Item 11 of Head XIV, and 11 under Item 6 of Head XV. In the enclosure to his Confidential despatch of 19th November‖ the Officer Administering the Government stated that the existing posts in the Agricultural Department (*i.e.*, the old Agricultural Department) numbered 29, and that six posts would be abolished. It would appear, therefore, that a reduction of seven posts should be made under these items. The attention of the High Commissioner will be invited to this point.

Items 71, 72, *and* 73.—Expenditure on the newly formed Fumigation Service. The despatch referred to in the memorandum has not yet been received in the Colonial Office.

Item 74.—*Irrigation Officer.*—Seconded to Department of Development.

Items 79-85.—*Fisheries Service.*—This Service has been abolished, but the Secretary of State's Adviser on Fisheries is anxious that at least a skeleton service should be retained. The matter is at present under consideration.

Items 98-102.—The Analytical Service has been abolished, but provision has been made in the Health estimates for this work to be undertaken by the Department of Health.

Item 135.—*Anti-Locust Measures*, £500.—A new item, but this expenditure cannot be avoided.

Head XIV. Forests.

Item 5—*Two Forest Rangers, Grade II; and Item* 6—*Eight Forest Rangers, Grade III.*—The notes in the Remarks column of the Estimates are not understood, since there would appear to be a total increase of three Forest Rangers. The attention of the High Commissioner will be invited to this point.

Item 11.—*Five Clerical Officers.*—See comment under Head XIII.

Item 27.—*Afforestation.*—Increase of £5,000. The Financial Commission in paragraph 105 of their Report recommended if possible an increase of £10,000, but the funds available proved insufficient to permit of this increase.

* C. 87217/31 [No. 19]: not printed.
† C. 87329/31 [No. 3]: not printed.
‡ C. 87329/31 [No. 4]: not printed.
§ C. 87333/31 [No. 6]: not printed.
‖ C. 87425/31 [No. 2]: not printed.

Head XV.—Animal Health.

Item 6.—*Eleven Clerical Officers.*—See comments under Head XIII.

Item 9.—*Six Veterinary Officers* transferred from Head XIII, Item 38.

Item 13.—*Six Veterinary Dressers and Stablemen* —Increase of one apparently, but no difference in the gross amount provided.

Items 14-20.—*Veterinary Laboratory.*—The High Commissioner decided in his Confidential despatch of the 11th December* that the amalgamation of the Veterinary and Medical Laboratories should not take place. The matter is at present receiving the Secretary of State's consideration.

Item 14.—The Assistant Senior Veterinary Officer has been promoted to the rank of Senior Veterinary Officer, but no change has been made in his scale of salary.

Item 18.—*Two Laboratory Assistants, Grade III.*—Scale of salary should read £60 × 6—£168.

Item 21.—*Manager, Stock Farm.*—Change of title only, the Stockman becoming Manager.

Head XVII.—Land Settlement.—Attention is drawn in particular to the Secretary of State's Confidential despatch of the 4th January,† regarding the recommendation of the Financial Commission. (Treasury letter, No. S. 36085/02 of the 28th December.‡)

Item 4.—*Three Settlement Officers.*—See comments under Head V, District Administration, Item 7.

Item 7—*Land Valuer and Inspector of Assessments;* and *Item* 9—*Inspector of Assessments.*—The Commission considered that one Inspector in Class 3 should suffice (paragraph 48 of Report), but the Acting High Commissioner recommended that consideration of this proposal should be deferred until the fiscal survey is completed (paragraph 2 (12)) of Acting High Commissioner's despatch Confidential " D " of the 24th October§). The Secretary of State pointed out in paragraph 2 (*c*) of his Confidential despatch of the 4th January that the Financial Commission anticipated that the fiscal survey would be completed by the end of 1933 and asked the High Commissioner to furnish him with his recommendations with regard to these two points about the middle of 1933.

Item 14.—" Item 12 " in Remarks column should read " Item 14."

Item 20.—*Five Clerks, Grade II.*—The salary scale should read £180 × 8 – £276.

Head XVIII.—Lands Department.

Attention is drawn here also to the Secretary of State's Confidential despatch of the 4th January.

Item 3.—*Assistant Director,* £901.—In paragraph 50 of their Report, the Financial Commission recommended that, when the present holder retires, this post should be abolished and that in its place a third post of Land Officer should be created, if the volume of work is then more than two Land Officers can deal with. In paragraph 2 (*d*) of his Confidential despatch of the 4th January, the Secretary of State said that he would be glad to receive the High Commissioner's observations with regard to the suggested abolition of this post as soon as it becomes vacant.

Head XIX.—Surveys.

In paragraph 38 (2) of their Report, the Financial Commission referred to the expenditure to be incurred by the Survey Department during the next ten years. The Director of Surveys submitted an estimate of £54.059 for 1932 (see Appendix I of the Report), which the Commission cut down to £40,410 in view of the Commissioner of Land's proposals that the built-over area in certain villages should be excluded, and that, in the case of the built-over areas in other villages, only properties for which title deeds are held should be registered. It would seem, therefore, that some deduction in the estimate should have been effected. On the other hand, the Survey Department has embarked upon a definite programme of work, and it would be clearly advantageous if the programme could be completed before 1942. In paragraph 2 (*b*) of his Confidential despatch of the 4th January, the Secretary of State asked the High Commissioner to furnish a forecast of the programme of land settlement operations, indicating the number of years required to complete it and the expenditure involved.

Item 5—*Two Inspectors;* and *Item* 9—*Three Sub-Inspectors.*—One new appointment in each case for which provision was made in the 1931 Estimates.

* C. 87333/31 [No 5]: not printed.
† C. 87326/31 [No. 6]: not printed.
‡ C. 87326/31 [No. 5]: not printed.
§ C. 87326/31 [No. 2]: not printed.

Item 23—*Five new appointments of Draughtsman, Grade II;* and *Item* 25.—*Seven new appointments of Surveyor, Grade III,* necessitated by the acceleration of land settlement.

Head XX.—Department of Development.

In paragraph 256 (1) of their Report the Financial Commission referred to the establishment of the Development Commission and to the provision of the necessary staff.

Item 4.—*Financial Adviser,* £700.—This appointment has now been made.

Item 5—*Arab Adviser,* £500; and *Item* 6—*Jewish Adviser,* £500.—Both these appointments were approved in the Secretary of State's telegram No. 196 of the 7th September* (Treasury letter No. E. 26150 of the 5th September†).

Item 7.—Irrigation Inspector transferred from the Agricultural Department (Secretary of State's Confidential despatch of the 20th January‡: Treasury letter No. E. 16664 of the 11th January§).

Head XXI —Police and Prisons.

Items 5, 7, 9, 11, 22, 61, *and* 73.—*Thirty-one posts of Assistant Superintendent.*—In the Secretary of State's telegram No. 18 of the 16th January,‖ the High Commissioner was informed that the Treasury did not feel justified in sanctioning a strength of Assistant Superintendents in excess of 30, including reserves, and he was asked for his views on the matter. A reduction of one post of Assistant Superintendent should, therefore, be made, unless the Secretary of State, after considering the High Commissioner's views in consultation with the Treasury, decides otherwise. The note in the Remarks column against Item 11 should be deleted.

Item 20.—*Four Deputy Superintendents.*—Two posts abolished (Acting High Commissioner's despatch Confidential " C " of the 24th October¶: Treasury letter No. E. 11301 of the 6th January**).

Item 28.—*Twenty-one Inspectors, Grade II.*—Increase of one transferred from Item 25. It is not clear whether the post of Inspector, Grade II, Mounted Police is to be abolished, or whether the holder will continue to be attached to the Mounted Police.

Items 36, 37, *and* 38.—The pay provided for these non-commissioned officers and constables appears to have been slightly overestimated.

Items 46, 47, *and* 48.—Reductions of five sergeants, 10 corporals, and 139 constables are made in accordance with the recommendations of the Financial Commission (paragraph 71 (7) of their Report).

Item 114.—*Language Allowances,* £1,200.—New item. The grant of language allowances was approved in the Secretary of State's despatch No. 772 of the 27th September, 1930.††

Head XXII.—Department of Immigration and Travel.

The Immigration and Travel Section was constituted as a separate department with effect from the 1st January, 1932 (Mr. Thomas' despatch No. 822 of the 3rd November‡‡: Treasury letter No. E. 16999 of the 19th October§§). The proposals of the Officer Administering the Government regarding the recommendations of the Financial Commission were approved by the Secretary of State in his Confidential despatch of the 16th January, with the exception of the proposed increase in the naturalization fee (Treasury letter, No. E. 16999 of the 4th January).

Head XXIII.—Trans-Jordan Frontier Force.

The comments under this Head will form the subject of a separate communication.

Head XXIV.—Defence.

In paragraph 3 of his despatch No. 57 of the 21st January,‖‖ the Secretary of State informed the High Commissioner for Palestine that, with a view to (1) bringing local services rendered by the Palestine Government to the garrison under review by the Air and Army authorities; (2) simplifying procedure; and (3) avoiding any differentiation in the treatment of railway charges as between the War Office and the

* C. 87402/1/31 [No. 62B]: not printed.
† C. 87402/1/31 [No. 62]: not printed.
‡ C. 87437/31 [No. 5]: not printed.
§ C. 87437/31 [No. 4]: not printed.
‖ C. 87335/31 [No. 11]: not printed.
¶ C. 87335/31 [No. 2]: not printed.
** C. 87335/31 [No. 9]; not printed.
†† C. 77325/30 [No. 4]: not printed.
‡‡ C. 87313/31 [No. 5]; not printed,
§§ C. 87313/31 [No. 6]: not printed.
‖‖ C. 97159/32 [No. 8]: not printed.

Air Ministry, it had been decided, in consultation with those Departments and the Lords Commissioners of the Treasury, that, as from the 1st April, 1932, payment should be made by the War Office and the Air Ministry in the first instance to the Palestine Government in respect of *all* local services rendered to the garrison, including those rendered by Palestine's own undertakings, but that payment of railway charges should be made at preferential rates only, the difference between public and preferential rates on the railways being borne by the Palestine Government direct. The Secretary of State is of the opinion that it would be more convenient to show Items 2 and 5 together under one item entitled " Contribution to Imperial Government towards the excess cost of the Royal Air Force, Armoured Cars and Army Units employed in Palestine and Trans-Jordan, over the cost of such forces at their normal station including cost of Local Services." On the estimates submitted by the Palestine Government this item would amount to £92,000, but a comparison of the amount £37,000, provided under Item 5, with the summary of charges in respect of the local services to the British Forces during the first eight months of 1931, indicates that this item is overestimated and might safely be reduced to £30,000. On this basis the amount to be provided under the new item would be £85,000.

This matter has, however, been discussed with representatives of the Treasury, and it has been agreed that in all the circumstances it would be reasonable to provide for a total contribution of £90,000 in 1932-33, in addition to the difference (£12,000) between public and preferential railway rates.

Head XXV.—Posts and Telegraphs.

Item 29—*One additional Postal Clerk*; and *Item* 31—*Five additional Postal Clerks.* See Memorandum on Expenditure. At page 31 of his Notes on some of the clerical staffs Mr. Brittain observed that a reduction in the staff could be effected. The Acting High Commissioner has required Heads of Departments to submit early proposals for introducing the desired quota of economies in the clerical staffs (see his Confidential despatch of the 19th November.*)

Item 48.—Special expenditure, £5,000 (see Memorandum on Expenditure and paragraph 168 of the Financial Commission's Report).

Head XXVI.—Public Works Department.

The conclusions of the Acting High Commissioner on the recommendations of the Financial Commission relating to this Department are at present receiving the consideration of the Lords Commissioners of the Treasury. These Estimates are based on the assumption that Mr. Young's proposals will be approved.

Item 4—*Deputy Director*; and *Item* 12—*Three Assistant Engineers.*—The abolition of one of these posts is receiving the consideration of the Government (paragraph 2 of Mr. Young's Confidential despatch " E " of the 24th October†).

Item 18—*One Architect*; and *Item* 20—*Three Assistant Architects.*—In paragraph 170 (3) of their Report the Financial Commission stated that a staff of one Architect and two Assistant Architects should suffice. In paragraph 2 of his Confidential despatch " E " of the 24th October, the Acting High Commissioner recommended the abolition of the posts of Architect and Temporary Architect. It was presumed that the abolition of the posts of Assistant Architect (1) and of Temporary Assistant Architect (1) was intended, but in the draft Estimates the two posts of Temporary Assistant Architect have been abolished. In his Confidential despatch " C " of the 9th January,‡ of which a copy is enclosed, the High Commissioner recommends that the necessary provision for these posts should be reinserted, at an additional cost of £1,170. The Secretary of State is prepared to approve this proposal, if equivalent savings can be effected under other items of the Estimates.

Item 54.—*Geological Adviser.*—The question of the retention of this post is being considered (paragraph 2 of Mr. Young's Confidential despatch " E " of the 24th October§).

Head XXVII.—Public Works Recurrent.

Item 2.—*Purchase of an additional motor ambulance in connexion with hospital arrangements in the Northern District.*—This item has been approved in the Secretary of State's telegram No. 8 of the 7th January‖ (Treasury letter No. S. 36914 of the 31st December¶).

* C. 87425/31 [No. 2]: not printed.
‡ C. 97339/32 [No 1]: not printed.
‖ C. 87217/31 [No. 20]: not printed.
† C. 87339/31 [No. 2]: not printed.
§ C. 87339/31 [No. 2]: not printed.
¶ C. 87217/31 [No. 19]: not printed.

Head XXVIII —Miscellaneous.

Item 2.—*Cost-of-Living Allowances.*—Reduction of £22,000 (Secretary of State's telegram No. 243 of the 30th October*: Treasury letter No S 36784 of the 28th October†). It would be convenient if in future this item could be split up under the various Heads. In the case of the Posts and Telegraphs Department this is done at present, see Head XXV, Item 80.

Item 29.—*Palestine Census Expenses*, £3,000.—The total census expenditure approved is £11,000 (Secretary of State's despatch No. 20 of the 6th January‡: Treasury letter No. S. 36346 of the 14th of December.§)

Head XXIX.—Posts and Telegraphs Extraordinary.

Draft Estimates, 1931	... ...	£21,020
,, ,, 1932-33	.. ..	£18,875

Items for which provision will normally be required amount to £12,700, compared with the figure of £12,000 recommended by the Financial Commission in paragraph 169 of their report. It will be observed that column 3 gives the estimated total expenditure to 31st December, 1931, instead of to the 31st March, 1932, and that the figure of £679 in column 2 appears to have been included in error.

Head XXX.—Public Works Extraordinary.

	£
Draft Estimates, 1931	261,840
Financial Commission's Estimate, 1932	169,840
Draft Estimates, 1932-33	135,112
Expenditure from Surplus Balances	10,000
Total for 1932-33	144,112

Attention is drawn to paragraphs 179-188 of the Report of the Financial Commission, to the Memorandum on Expenditure, and to the Secretary of State's telegram No. 20 of the 16th January‖ in which the High Commissioner was asked to submit a summary of capital works' requirements in order of priority during the next three years.

(A) *Works already approved*:—

Items 24, 32, 33, 34, 45, 55, 58, *and* 59.—£58,450.

Item 32.—*Construction of Post Office at Jerusalem.*—£20,000.

The High Commissioner was informed, in connexion with the Estimates for the first three months of 1932 (Secretary of State's despatch No. 34 of 14th January¶), that the question of the provision of funds for this work must be considered in relation to other urgent capital requirements, and that expenditure should be deferred for the present, but that the matter would be considered further in connexion with these Estimates. In the Secretary of State's telegram No. 20 of the 16th January,‖ the High Commissioner was asked to submit by despatch in order of priority a summary of capital works required during the next three years No work should be commenced on this building pending full consideration of this question.

Item 33.—*New Government House*—£400.—For completion of building (Secretary of State's Confidential despatch of 13th November**: Treasury letter No. S. 26690 of the 14th October††). The amount approved, viz., £53,500, will not be exceeded.

Item 34.—*Construction of Arab Training College*—£12,550 —The Secretary of State approved the expenditure of £20,000 on this work in his despatch No. 928 of the 31st October, 1928.‡‡ The original estimate was increased to £24,000 in 1929.

Item 45.—*Construction of District and Magistrate's Court at Nablus*—£9,000.—A sum of £10,000 was approved for this work in the Secretary of State's despatch No. 719 of the 23rd September§§ (Treasury letter No. S. 35956/01/3/31 of the 15th August‖‖). Every effort should be made to complete the work for the amount approved.

* C. 87316/31 [No. 7]: not printed.
† C. 87316/31 [No. 6]: not printed.
‡ C. 87247/31 [No. 44]: not printed.
§ C. 87247/31 [No. 41]: not printed.
‖ No. 6.
¶ C. 97005/3/32 [No. 8]: not printed.
** C. 87087/31 [No. 23]: not printed.
†† C. 87087/31 [No. 20]: not printed.
‡‡ C. 57559/28 [No. 2]: not printed.
§§ C. 87089/2/31 [No. 127]: not printed.
‖‖ C 87089/2/31 [No 117]: not printed.

Item 55.—*Construction of Central Prison at Tulkarem*—£2,700.—In his despatch No. 640 of the 12th August, 1929,* the Secretary of State approved the expenditure of £1,000 for water boring and for the survey of a site. This item has appeared in all subsequent estimates.

Item 59.—*Construction of Haifa-Acre Road*—£10,000.—£10,000 was approved for this work in the Secretary of State's telegram No. 104 of the 30th April, 1931† (Treasury letter No. S. 35956/01/2/31 of the 28th April‡). The revised estimate for this road is now given as £17,000, an increase of £4,000, due to the fact that the cost of the railway freight will be met from this vote instead of from a separate vote.

(B) *Works included in the Estimates for* 1931, *but not authorised* (see list on page 12 of Memorandum)—£32,843.

Items 57 *and* 78.—*Construction of seven standard police posts*, at a total cost of £15,400. The construction of these posts is part of the programme of works recommended by Sir Herbert Dowbiggin.

(C) *New Items* (for list see page 12 of Memorandum)—£21,415.

Item 29.—*Alterations and Repairs to St. Luke's Hospital*—£150. This work has since been approved by the Secretary of State's telegram No. 8 of the 7th January§ (Treasury letter No. S. 36914 of the 31st December‖)

Item 31.—*Construction of Customs Offices at Jaffa*—£1,400.—The sum of £1,400 was approved for this work in the Secretary of State's telegram No. 281 of the 3rd December¶ (Treasury letter No. S. 6484 of the 27th November**).

Item 81. *Construction of Police Training School*—£10,000, *plus* £400 *for the fencing of the site under*—

Item 38.—Attention is drawn to paragraph 90 of Sir H. Dowbiggin's Report and to paragraph 184 of the Report of the Financial Commission. The expenditure of £4,400 for the purchase of land was approved in the Secretary of State's despatch No. 720 of the 23rd September†† (Treasury letter No. S. 35956/01/3/31 of the 15th August‡‡). This item should not have been shown under the Public Works Extraordinary Head as the expenditure is to be incurred from surplus balances and not from revenue.

(D) *Roads.*

(1) *Construction of New Main Roads.—Items* 60-65—£17,309.—The addition of the two Items 58 and 59 (£13,000) would bring the total up to £30,309, a trifle over the figure recommended by the Financial Commission (see paragraph 187 of their Report).

(2) *Reconstruction, Realignment, &c.—Items* 66-70—£7,000.—The Financial Commission's figure was £10,000, see above.

(E) *Items* 71, 72, 74, 75, *and* 77—£8,095—

For the purchase of the necessary plant and equipment. The amount provided under "Miscellaneous" is larger than that recommended by the Commission, viz., £10,000, but this is due to the fact that the amount has been swollen considerably by the inclusion, for convenience, of Item 78—£13,200, instead of dividing it up into six items under the various places where the posts are to be built.

Head XXXI.—Trans-Jordan Frontier Force Extraordinary.

Comments under this Head will form the subject of a separate communication.

Head XXXII.—Railways.

	£
Estimated Revenue	567,190
Estimated Expenditure, Ordinary and Recurrent	622,021
Estimated Deficit	£54,831
Contribution by Government to Renewals Fund (*a*) ...	40,000
Total Deficit	£94,831

* C. 67378/29 [No. 2]: not printed.
‡ C. 87089/2/31 [No. 55]: not printed.
‖ C. 87217/31 [No. 19]: not printed.
** C. 87257/31 [No. 16A]: not printed.
† C. 87089/2/31 [No. 53]: not printed.
§ C. 87217/31 [No. 20]: not printed.
¶ C. 87254/31 [No. 17]: not printed.
†† C. 87089/2/31 [No. 128]: not printed.
‡‡ C. 87089/2/31 [No. 117]: not printed.

(*a*) Contribution reduced from £45,600 to £40,000 (Secretary of State's Confidential despatch of the 11th January*: Treasury letter E. 9474 of the 23rd December†).

Attention is invited to paragraphs 214-241 of the Report of the Financial Commission and to the memorandum on the Railway Estimates.

1. *Revenue.*

(*a*) *Coaching and Goods.*

	£
Estimate, 1931	585,000
Actual, first eleven months, 1931	465,618
Estimate, 1932-33	530,000

In the Memorandum it is stated that the reduction (due to depressed state of trade, heavy Egyptian Customs duties, decrease in tourist traffic, and in traffic for harbour construction, and increasing motor competition) is shown because it is anticipated that the traffic will decline during the next financial year as it has declined in 1931. In these circumstances, the estimate would appear to be somewhat optimistic.

(*b*) *Miscellaneous.*

	£
Estimate, 1931	44,000
Actual, first eleven months	31,449
Estimate, 1932-33	37,190

The same remarks apply here.

2. *Expenditure.*

Abstract "*A.*"—*Item* 5.—*Assistant District Engineer.*—One post abolished (Secretary of State's Confidential despatch of the 11th January*: Treasury letter No. E. 9474 of the 23rd December†).

Items 56 *and* 57.—*Maintenance of Water Supply, Roads, Bridges, and Works.*—An increase of £495. The provision includes £500 for repairing the main reservoir at Kantara (Secretary of State's despatch No. 892 of the 2nd December‡: Treasury letter No. S. 33672/2 of the 25th November§).

Abstract "*B.*"—*Item* 3.—*Assistant Chief Mechanical Engineer.* In paragraph 233 of their Report the Financial Commission expressed some doubt as to the necessity for this post. It has since been agreed that the post should not be abolished at the present time (High Commissioner's Confidential despatch of the 14th December‖: Treasury letter No. E. 9474 of the 21st January¶).

"*Other Charges*" *Items.*—Reductions of £6,526, due to concentration of work at the new workshops at Haifa, have been offset to some extent by an increase of £2,170 for the installation of electric supply (Secretary of State's telegram No. 255 of the 9th November**: Treasury semi-official letter No. S. 31061 of the 31st October.††

Abstract "*C.*"—*Item* 5.—*District Traffic Superintendents.*—Two posts abolished (Secretary of State's Confidential despatch of the 11th January‡‡: Treasury letter No. E. 9494 of the 23rd December§§).

Item 7.—Addition of one post of Assistant District Traffic Superintendent, as a result of the abolition of the post of Chief Clerk

Abstract "*D.*"—Under Remarks against Item 63, read "Item 67" for "Item 66."

Abstract "*E.*"—No change

Abstract "*F.*"—See Memorandum on Railways. The amounts provided have been inserted under the "Decrease" column in error, see the Chief Secretary's Confidential 3rd p.n. of the 8th January.‖‖

Item 2.—Provision of £5,520 for goods sheds approved in the Secretary of State's telegram No. 234 of the 21st October¶¶ (Treasury letter No. 35956/05/31 of the 23rd October***).

* C. 87269/31 [No. 11]: not printed.
‡ C. 87089/2/31 [No. 157]: not printed.
‖ C. 87269/31 [No. 9]: not printed.
** C. 87068/31 [No. 15]: not printed.
‡‡ C. 87269/31 [No. 11]: not printed.
‖‖ C. 97005/32 [No. 6]: not printed.
† C. 87269/31 [No. 8]: not printed.
§ C. 87089/2/31 [No. 156]: not printed.
¶ C. 87269/31 [No. 15]: not printed.
†† C. 87068/31 [No. 14]: not printed.
§§ C. 87269/31 [No. 8]: not printed.
¶¶ C. 87089/2/31 [No. 145]: not printed.
*** C. 87089/2/31 [No. 148]: not printed.

Item 10.—*Purchase of Motors and Starters*—£152.—Under Remarks for " Item 12 " read " Item 10."

Item 12.—*Minor New Works*—£4,000.—The Commission, in paragraph 219 of their Report, mentioned the figure of £5,000 as required by the General Manager.

Item 13.—*Improvements to Water Supply Installations at Stations on Kantara-Rafa Railway*—£3,000.—Approved in Secretary of State's despatch No. 892 of the 2nd December* (Treasury letter No. S. 33672 of the 25th November†).

Abstract " G."—Water Supply Installation at Kantara—£4,000.—Approved in Secretary of State's despatch quoted above.

Colonial Office,
January, 1932.

APPENDIX I.

Summary.

		£
Actual Surplus Balance at 31st December, 1930		626,111
Add Revised Estimate of Revenue 1931 ... ... (Actual Approximate £2,320,502)		2,318,750
		2,944,861
Less Revised Estimate of Expenditure 1931 ... ... (Actual Approximate £2,353,759)		2,362,000
Estimated Surplus at 31st December, 1931		582,861(a)
(a) (i) Actual Approximate £592,854. (ii) Financial Commission figure £552,000.		
Add Estimated Revenue January-March, 1932		552,815
		1,135,676
Less Estimated Expenditure January-March, 1932		547,743
Estimated Surplus at 31st March, 1932		587,933
Add Estimated Revenue 1932-33		2,426,583
		3,014,516
Less Estimated Expenditure 1932-33 ... ... (Ordinary, Extraordinary, and Loss on Railway)		2,421,091
Balance ...		593,425
Less Expenditure from Surplus Balances:—		
(a) Police Training School	£10,000	
(b) Contribution to Railway Renewals(b) ...	£45,600	
		55,600
Estimated Surplus(c) at 31st March, 1933		£537,820

(b) £40,000 is to be provided instead of £45,600, *see* Secretary of State's Confidential despatch of 11th January.‡

(c) The Financial Commission did not give any figure, but they estimated that the Government would have in 1932 a surplus of revenue over expenditure of £129,000, whereas the actual margin, without taking into account expenditure from Surplus Balances, is estimated at £5,492 only

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* C. 87089/2/31 [No. 157]: not printed. † C. 87089/2/31 [No. 156]: not printed.
‡ C. 87269/31 [No. 11]: not printed.

APPENDIX II.

Revenue 1932-33

Head.	*Draft Estimates* 1931.	*Financial Commission Estimates* 1932.	*Revised Estimates* 1931.	*Draft Estimates* 1932-33.
	£	£	£	£
I. Customs	957,500	1,007,500	910,200	910,200
II. Port and Marine ...	9,200	37,200	10,500	10,100
III. Licences, Taxes, &c....	805,900	801,900	601,500	826,800
IV. Fees of Court, &c. ...	242,300	243,300	238,700	240,000
V. Posts and Telegraphs...	223,200	226,200	211,300	221,500
VI. Government Property	18,000	18,000	13,300	14,000
VII. Interest	67,000	37,000	53,000	34,000
VIII. Miscellaneous ...	45,000	65,000	41,500	30,000
IX. Land Sales	4,000	4,000	8,750	5,500
X. Grant-in-Aid ...	143,000	143,000	230,000	134,483
Totals ...	£2,533,100	£2,583,100	£2,318,750	£2,426,583

APPENDIX III.

Expenditure 1932-33.

Head.	*Draft Estimates* 1931.	*Financial Commission Estimates* 1932.	*Revised Estimates* 1931.	*Draft Estimates* 1932-33.
	£	£	£	£
I. Pensions ...	18,060	25,060	17,000	19,860
II. Public Debt ...	124,348	124,348	124,400	124,348
III. High Commissioner	7,827	7,827	8,000	9,697
IV. Secretariat ...	21,608	21,608	21,500	23,950
V. District Administration	97,845	89,845	93,000	88,699
VI. Legal ...	8,859	8,859	8,800	10,048
VII. Judicial ...	93,028	83,028	83,000	90,190
VIII. Treasury ...	16,264	16,264	15,800	15,905
IX. Audit	12,746	12,746	11,000	12,689
X. Customs ...	74,839	72,839	71,000	76,130
XI. Health ...	111,341	107,341	106,000	111,053
XII. Education ...	153,639	158,639	146,000	161,242
XIII. Agriculture ...	86,484	91,484	81,000	39,129
XIV. Forests ...				22,305
XV. Animal Health				26,522
				87,956
XVI. Antiquities ...	8,358	8,358	7,500	8,090
XVII. Land Settlement ...	24,893	24,893	24,000	25,183
XVIII. Lands ...	19,297	19,297	18,000	18,681
XIX. Survey ...	49,410	40,410	44,000	52,957
XX. Development ...	—	?	—	7,701
XXI. Police and Prisons ...	515,745	495,745	457,000	457,737
XXII. Immigration ...				18,624
XXIII. Trans-Jordan Frontier Force	185,452	185,452	178,000	178,000
XXIV. Defence ...	38,000	108,000	136,000	104,000
XXV. Post and Telegraphs	162,469	167,469	152,000	163,627
XXVI. Public Works Department	56,262	50,262	50,000	52,297
XXVII. Public Works Recurrent	170,600	170,600	175,000	183,130

Expenditure 1932-33—(*cont.*)

	Head.	*Draft Estimates* 1931.	*Financial Commission Estimates* 1932.	*Revised Estimates.* 1931.	*Draft Estimates* 1932-33.
		£	£	£	£
XXVIII.	Miscellaneous	120,178	99,178(*a*)	127,000	111,221
	Village Accountant...	—	14,000	—	—
	Co-operative Societies ...	—	2,000	—	—
	Training of Technical Officers	—	1,000	—	—
	Senior Service Salaries ...	—	2,000	—	—
			Total 2,208,552		
	Less reduction in number of Clerks		*Less* 5,000		
	Total Ordinary Expenditure	£2,177,552	£2,203,552	£2,155,000	£2,213,905
XXIX.	Posts and Telegraphs Extraordinary	21,020	18,020	14,000	18,875
XXX.	Public Works Extraordinary	261,840	169,840	110,000	145,112(*b*)
XXXI.	Trans-Jordan Frontier Force Extraordinary	21,245	21,245	11,000	4,515
	Total Extraordinary	£304,105	£209,105	£135,000	£168,502
XXXII.	Railways ...	49,861	41,861	72,000	94,284(*c*)
	Total Expenditure	£2,531,518	£2,454,518	£2,362,000	£2,476,691

(*a*) Reduction of £25,000 on cost-of-living allowances, plus £4,000 for passages.
(*b*) Includes £10,000 to be expended from Surplus Balances.
(*c*) Made up as follows:—
(i) Loss on Working £48,684
(ii) Contribution to Railway Renewals Fund ... £45,600

C. 97028/32 [No. 4].

No. 9.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(No. 146.)

SIR, Downing Street, 16th February, 1932.

I HAVE the honour to refer to your telegram No. 262 of the 5th November,* and to transmit to you the accompanying copies of correspondence† with the Treasury regarding the question of the re-allocation of loan funds under Heads 3 and 4 of the First Schedule to the Palestine and East Africa Loans Act, 1926.

2. I have to convey to you my formal sanction for the application of savings of £236,000 under Head 4 to Head 3 of the Schedule, thus increasing the provision under the latter Head to £1,351,000 and reducing the provision under Head 4 to £509,000. This re-allocation is approved on the understanding that a saving of £14,000 is effected

* C. 87058/31 [No. 65]: not printed. † C. 97028/32 [No. 2]: not printed and No. 7.

on Jaffa Port improvements, and that the cost of the main Haifa Harbour scheme will not exceed £1,250,000, the sum which is now made available by the application of the savings under Head 4 (£236,000) and the savings of Jaffa Port improvements.

3. Pending consideration of the question of capital requirements as a whole, as to which I telegraphed to you on the 16th January,* no expenditure should be authorized from the unexpended balance under Head 4 of the Schedule.

I have, &c.,
P. CUNLIFFE-LISTER.

C. 97005/32 [No. 17].

No. 10.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 5.15 p.m., 23rd February, 1932.)

TELEGRAM.

[*Answered by No.* 12.]

No. 56. CONFIDENTIAL. Your Confidential despatch of 31st December.† Draft Estimates.

Allowing for addition of £10,000 to revenue in respect of increased customs duties, your telegram of 2nd February, No. 27,‡ £4,500 in respect of increased postal rates, your Confidential despatch of 30th January,§ and £1,000 from lighthouse dues, your telegram No. 36,‖ estimate of total revenue omitting Trans-Jordan Frontier Force grant-in-aid becomes £2,307,600. Disregarding £134,483 Trans-Jordan Frontier Force (to be met from grant-in-aid) and excluding Police Training School, £10,000, which if approved must be found from revenue taking railway renewals as £40,000 and allowing for reduction of £2,000 which can be made in respect of contribution under Head XXIV, Defence, and provisionally adding £7,064 for Mental Hospital, your Confidential despatch of 2nd January,¶ and £1,170 for Architects, your Confidential despatch of 9th January,** estimate of expenditure becomes £2,332,842. Deficit on year's working is thus £25,242.

I appreciate that every endeavour has been made to carry out economies recommended by Financial Commission and I regret to have to ask you to make further economies or to consider additional taxation. But I feel that in view of failure of revenue estimate to meet expectations of Financial Commission and possible over-estimate of receipts from tithes and currency profits and in view of importance of conserving and increasing surplus balances, see my telegram of 16th January, No. 20,* I must ask that Estimates including railway renewals should be made to balance without using surplus. Shall therefore be glad if you will telegraph at an early date proposals for meeting deficit for 1932-33 by economies on such items of Expenditure as you may select under other Heads than Public Works Extraordinary or by imposition of additional taxation if it is quite impossible to effect economies to meet whole deficit. In view of possibility that certain items under Public Works Extraordinary may have to give place to more urgent requirements, see my telegram No. 20, I think that the proposed provision of £145,112 should be regarded as available for such requirements and that allocation to the specific items set out in Estimates must be limited for the time being to £100,000. On receipt of your reply decision on the various Heads of Estimates will be conveyed as soon as possible.—CUNLIFFE-LISTER

C. 97005/32 [No. 19].

No. 11.

TREASURY to COLONIAL OFFICE.

[*Answered by No.* 15.]

(S. 35956/01/32.)

SIR, Treasury Chambers, 29th February, 1932.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Williams's letters of the 12th†† and 19th February, 1931,‡‡ on the subject of the draft

* No. 6. † No. 5. ‡ C. 97005/32 [No. 8A]: not printed. § C. 97151/33 [No 1]: not printed.
‖ C. 97099/33 [No. 8]: not printed. ¶ C. 97302/32 [No. 8]: not printed.
** C. 97339/32 [No. 1]: not printed. †† No. 8. ‡‡ C. 97099/1/32 [No. 15A]: not printed.

Estimates for Palestine for the financial year 1932-33, and They direct me to request you to convey to the Secretary of State the following reply.

My Lords concur in the opinion expressed by the Secretary of State that in view of the present financial situation and the necessity with which Palestine is faced of finding funds for various urgent capital services it is imperative that the surplus balances of the territory should, so far as possible, be conserved at the present time. They agree, therefore, that the contribution to the Railway Renewals Fund and the expenditure, if any, to be incurred on the construction of a Police Training School during 1932-33 should be met from Revenue.

My Lords note that when allowance has been made for a contribution of £40,000 to the Railway Renewals Fund and certain other adjustments have been carried out, the Estimates show a prospective deficit of nearly £27,000. They agree that the High Commissioner should be asked forthwith to submit proposals for meeting this deficit by reducing expenditure on Heads other than Public Works Extraordinary and/or by imposing additional taxation. They further agree that in order to make contingent provision for urgent unforeseen works in the course of the year, the allocation of funds under the Public Works Extraordinary Head to the specific items set out in the Estimates should be limited for the time being to £100,000.

During the present economic depression there must be considerable uncertainty whether the estimate of revenue will be realized; and in these circumstances it would have been prudent to adopt the usual safeguard of budgetting for an adequate surplus. Their Lordships appreciate, however, the efforts which have been made to reduce expenditure and increase revenue, and They will not press for such a surplus to be shown on the Budget, provided it is understood that should the returns during the year indicate a short-fall of revenue steps will be taken at once to meet the situation.

As stated above, My Lords concur in the proposal of the Secretary of State to telegraph to the High Commissioner, acquainting him with the necessity for balancing the Budget and They approve the draft telegram enclosed with the letter under reply subject to certain minor amendments which have been communicated semi-officially On receipt of a satisfactory reply to this telegram, My Lords will be prepared to convey Their decision on the various Heads of the Estimates.

I am, &c.,
R. V. NIND HOPKINS.

C. 97005/32 [No. 21].

No. 12.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 6.35 p.m., 4th March, 1932.)

TELEGRAM.

No. 55. 4TH MARCH. Confidential. Your telegram No. 56, Confidential, of the 23rd February.* Draft Estimates. Amounts to be found by economy under other Heads than Public Works Extraordinary or by additional taxation is now £32,042 made up as follows:—

Begins: Deficit as in your telegram £25,242 additional expenditure on (*a*) fumigation (my despatch No. 191 of the 3rd March†) £3.000, (*b*) leave passages for police (my telegram No. 24 of the 30th January‡) £3,000, (*c*) collection of unemployment statistics (*vide* my Confidential despatch of the 4th March§) £800.

Following are my proposals totalling £32,059. Increase estimate revenue from customs by £5,000 consequent on proposed increase in rates of import duties as to which I shall address you by despatch. Reduce estimates of expenditure by following amounts: Head XXIX, Item 5, £1,700, Item 7, £1,300, Head XXXII, Item 1, £9,720, consequent on deletion of Items 2, 9, and 13 in Railway Abstract F. Above savings

* No. 10. † C.97362/32 [No. 1]: not printed. ‡ C. 97015/32 [No. 3]: not printed. § C. 97189/32 [No. 2]: not printed.

represent reductions under Heads other than Public Works Extraordinary already proposed in Enclosure 1 of my despatch Confidential G of the 27th February.*

Following additional savings now proposed. Head III, Item 14, £1,200, Head V, Item 34, £600, Head X, Item 49, £1,250, Head XI, savings on various items £400, Head XII, savings on various items from additional sum of £4,990 (see Enclosure III of my Confidential despatch of the 31st December†) £2,500, Head XIII, savings on various items consequent on deletion of provision for Gaza Agricultural Station £2,539, Head XIV, Item 27, £4,000, Head XIX, Item 50, £1,350, Head XXV, savings on various items £500. Details of savings under Heads XI, XII, XIII, and XXV follow by mail. As regards economy of £45,112 required by you under Public Works Extraordinary I have proposed in my despatch Confidential G. of the 27th February, economies under Head XXX amounting to £29,650 and I now propose following additional savings: Head XXX, Item 11, £1,200, Item 34, £12,500, Item 61, £2,309, making a total saving under Head XXX of £45,659.

C. 97005/32 [No. 22].

No. 13.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE

(Received 10.5 p.m., 5th March, 1932.)

TELEGRAM.

No. 59. 5TH MARCH. My telegram No. 55, Confidential.‡ Draft Estimates. Please make following alterations.

For total of my proposal £32,059 read £32,720.

Under "Following additional saving now proposed" delete Head XIII saving—£2,539.

Insert following three items: Head V, Item 7, £1,500; Head V, Item 8, £200; Head XXV, Item 48, £1,500.

C. 97028/32 [No. 5].

No. 14.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 5th March, 1932.)

[*Answered by Nos.* 23 *and* 24.]

(Confidential "G.")

SIR, High Commissioner's Office, Jerusalem, 27th February, 1932

I HAVE the honour to refer to your Confidential telegram No. 20 dated the 16th January, 1932,§ regarding the capital requirements of the Palestine Government for the next three years.

2. I have reviewed, in the light of your telegram, the proposals for Extraordinary Expenditure on Posts and Telegraphs, Public Works, and Railways, embodied in the draft Estimates for the financial year 1932-33, which were forwarded to you with my Confidential despatch of the 31st December, 1931,† and have reached the conclusion

* No. 14. † No. 5. ‡ C. 97005/32 [No. 31]: not printed. § No. 6.

that a number of the items for which provision is made therein may be deleted, or appreciably reduced. I enclose a schedule showing the reductions, totalling £P.47,970, which I propose shall be made in the draft Estimates.

With regard to Items 60 and 65 of Head XXX, I would observe that I am reluctant to reduce the road programme since this may result in increased unemployment. I anticipate that I may be obliged at a later date to recommend that these items be brought back on to the Estimates not only as works necessary in themselves but more especially as works to relieve unemployment.

In consequence of the decision conveyed in your Confidential telegram No. 56 of the 23rd February, 1932,* regarding the amount which may be allocated to specific items under Public Works Extraordinary, I shall forward to you in the near future further proposals for the deletion of items from Head XXX of the draft Estimates.

3. I have considered, in consultation with my advisers, the principal works of a capital nature for which it is essential, or desirable, to make provision in the near future and I enclose herewith a summary of these requirements in order of urgency. A note is included in each case of the approximate cost of the work, the suggested method of finding the necessary funds, and the extent to which the scheme could be modified if a part only of the funds could be made available.

4. With regard to paragraph (ii) (*a*) and (*b*) of your telegram I have reviewed the whole position regarding capital expenditure from the Palestine Loan. Of the works to be financed from the Loan three are at present in progress, namely the Railway Workshops, the Jaffa Port Improvements, and the Haifa Harbour Construction. The construction of the Workshops has been let out on contract and postponement is therefore out of the question. Of the amount authorized for Expenditure on improvements to the Jaffa Port, a balance of about £P.10,000 remains and I shall address you shortly in regard to the possibility of effecting any saving on this item. Work on the Haifa Harbour is progressing satisfactorily. It would be uneconomical to slow down the rate of construction, and it is not practicable to reduce the total immediate expenditure on the construction of the Harbour and the provision of essential services therefor below the sanctioned allocation of £P.1,250,000.

Advantage has been taken of the presence in Palestine of Mr. Buckton, a partner in the firm of the Consulting Engineers for the Haifa Harbour, to reconsider the details of the estimate for the construction of the Harbour. Mr. Buckton has prepared, in consultation with the Director of Public Works, the Director of Customs, Excise, and Trade and the General Manager of the Railways a modified scheme by which the cost of the essential Harbour equipment, and of minimum railway, drainage, and road connexions, may be met from the £P.1,250,000 allocated from Loan Funds for the construction of the Harbour.

I shall address a separate despatch to you in connexion with these proposals.

5. In the circumstances the only works chargeable to Loan Funds in which a modification might be made are the Government Offices and Printing Offices for which provision is made under Head 4 of the Loan allocation. I am of the opinion that in the present financial situation the construction of new Government Offices, recommended in my despatch No. 1137 of the 24th December, 1931,† cannot be considered a matter of urgency, and I have not included this project in the revised proposals now submitted. I consider that the construction and equipment of a Government Printing Press is a more urgent need.

6. With regard to paragraph (iii) of your telegram, I enclose a separate list of those works included in the summary for which I suggest that assistance might be asked from the Colonial Development Fund.

I have, &c.,
ARTHUR WAUCHOPE,
High Commissioner for Palestine.

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* No. 10.

† C. 97023/32 [No. 1]: not printed.

Enclosure 1 in No. 14.

POSSIBLE REDUCTIONS IN DRAFT ESTIMATES, 1932-33.

Head.	*Item.*	*Service.*	*Estimated.* £P.	*Now Proposed.* £P.	*Saving.* £P.	*Remarks.*
XXIX	5	New Telephone Exchange, Jerusalem	2,000	300	1,700	
	7	Wireless Telegraph Station, Jerusalem	1,550	250	1.300	
XXX	6	Construction of British Police Post, Artuf..	1,400	250	1,150	
	21	Construction of a Jetty, Gaza ..	1,200	—	1,200	
	55	Construction of Central Prison, Tulkarm	2,700	—	2,700	
	60	Arterial Road, Haifa	2,000	—	2,000	
	65	Construction of Road from Shefa Amr to Haifa–Acre Road	6,000	—	6,000	
	78	Construction of Six Police Boats ..	13,200	6,600	6,600	Three to be constructed.
	81	Construction of Police Training School	10,000	—	10,000	
XXXII	2	Contribution to Renewals Fund (Railways)..	45,600	40,000	5,600	
Railways Abstract F	2	Provision of Goods Sheds	5,520	—	5,520	
	9	Purchase of Tank Wagons for Kerosene	1,200	—	1,200	
	13	Improvements to Water Supply Installations	3,000	—	3,000	
					£P. 47,970	

Enclosure 2 in No. 14.

A.—PUBLIC WORKS EXTRAORDINARY.

1. *Jerusalem Water Supply.*—£P.360,000.

The provision of an adequate supply of drinking water for Jerusalem has become a vital necessity. If the recommendations for the termination of the Concession are accepted it will be necessary for the Government to assist the Municipality forthwith to provide the capital required for the scheme. This assistance may take the form of a Government guarantee for a loan which Barclays Bank would be willing to grant to the Municipality.

It is not possible to modify the scheme in order that the capital expenditure may be reduced.

2. *Haifa Drainage Scheme.*—£P.130,000.

The execution of a drainage scheme for Haifa is essential to remove the danger of serious epidemics and of the pollution of wells from which drinking water is drawn.

A proposal to raise a loan from a local Bank, to be paid after seven years when a public loan for Municipal purposes would be floated, has not received the approval of the Secretary of State. It is therefore now proposed to meet the cost of this work from Loan Funds, Head 4, in place of the projected Government Offices. (See paragraph 4 of covering despatch.)

The original estimate may be reduced by £P.5,000 if the revised scheme for essential Harbour connexions, prepared by the Partner of the Consulting Engineers, is adopted (see paragraph 5 of covering despatch). A further £P.18,000 may be saved without detriment to the Scheme by postponing the provision of sewers for certain outlying areas of Haifa included in the original scheme.

3. *Government Printing Press, Jerusalem.*—£P.57,000.

The need for adequate arrangements for the printing of Government papers and forms, which are increasing in volume, is acutely felt, and it is anticipated that economy would be effected by the provision of a Government press. It is proposed that the site be acquired forthwith at a cost of £P.3,042, and that the construction of the building and purchase of equipment be taken in hand without delay thereafter.

It is proposed to meet this expenditure from Loan Funds, Head 4.

The scheme cannot be modified to effect a reduction of the cost.

4. *Haifa Water Supply*: 1st stage.—£P.200,000.

There is at present no general supply for the town of Haifa. Drinking water is obtained from cisterns in which rain water is collected, and from numerous wells which yield a brackish water and which are in continual danger of pollution from sewage. In connexion with the completion in 1933 of the Harbour it will become necessary to supply fresh water to ships.

It is proposed that the necessary funds shall be provided from surplus balances. Failing this the possibility will be explored of raising a Municipal loan from a local Bank. Under proper control the scheme should quickly become a profitable concern.

£P.200,000 will provide only for the immediate needs of the town, and it is not possible to modify the scheme so as to reduce this figure.

5. *Jerusalem Post Office.*—£P.109,000.

6. *New Telephone Exchange, Jerusalem.*—£P.35,000

These two items are intimately connected. The present exchange is of old pattern, and inadequate, and although a temporary extension has been arranged it is at the expense of efficiency in working, and will moreover provide only for one year's normal expansion of the service. It is proposed to purchase and instal an automatic exchange, which will effect an economy of £P.3,000 a year in salaries

The hired premises in which the present exchange is housed are inadequate to accommodate the new exchange: they have also been condemned as structurally unsound. It is proposed to build a new General Post Office in a central location, which shall contain all the branches of the Post Office (now accommodated in hired buildings at some distance from each other), as well as the Telephone Exchange and the Administrative Offices of the Department.

It is proposed to provide funds for the construction from local revenues.

It is not desirable to embark on a modified plan for the building to reduce its estimated cost. The original estimate has already been reduced by elimination for the present of a proposed third floor. The portion of the new building most urgently required is that designed to accommodate the new Telephone Exchange, and it is necessary that this should be situated on the second floor in order that the lighting may be adequate.

7. *Police Training School, Jerusalem.*—£P.46,000.

The School is at present accommodated in hired premises in the centre of Jerusalem. A site has been acquired outside the town.

A sum of £P.400 for fencing of the site has been provided in the draft Estimates for 1932-33, and a sum of £P.10.000 for the first stages of construction, to be provided from surplus balances, was also included in the draft Estimates.

The decision of the Secretary of State that the work, if taken in hand, must be charged to revenue and not to surplus balances has led to its deletion from the draft Estimates. It is not possible to reduce the estimate by a modification of the plan

8. *Arab Training College, Jerusalem.*—£P.24,000.

The hired premises in which the College is now accommodated have for some time past been condemned by the Health Authorities as inadequate and insanitary. Of the estimated expenditure of £P.24,000 about £P.9,000 has already been incurred on indents for material ordered through the Crown Agents.

Funds for the completion of this work will be found from local revenues. £P.12,550 has been provided in the draft Estimates for 1932-33.

The present estimate of £P.24,000 is insufficient to meet all the requirements of the Director of Education and of the Department of Health, and it may be found to be necessary to increase it. In any event it cannot possibly be reduced.

9. *Neblus Water Supply.*—£P.20,000.

Neblus possesses an adequate supply of good water, but the antiquated method of distribution leaves it open to contamination of sewage throughout.

It has been proposed that the cost of the scheme shall be met by a Municipal loan, to be guaranteed by the Government. If this is approved, no capital expenditure from Government funds will be required.

The scheme is not capable of modification to effect a reduction of the capital cost.

10. *Hydrographic Survey.*—£P.7,856.

A proper hydrographic survey of the country is an essential preliminary to a comprehensive scheme of land settlement and agricultural development.

It is proposed to advance the funds from Surplus Balances, with a view to their possible repayment later from the Development Loan.

The figure of £P.7,856 is based on a detailed estimate, and the scheme cannot be modified to reduce this figure.

11. *Bethlehem Mental Hospital.*—£P.50,000.

The provision of adequate arrangements for the care of the insane is essential, and should be effected as soon as funds may be available.

It is proposed to carry out the work from local revenues.

Land has been purchased at a cost of £P.3,000. The remaining amount of £P.50,000 provides only for the first stage of the scheme and cannot be reduced.

12. *Hebron Water Supply.*—£P.20,000.

The present water supply of Hebron is inadequate for the population, and it is necessary to develop other springs in the neighbourhood.

It is possible that the cost of the scheme might be met by a Municipal loan. Failing this the funds must be provided from Revenue.

The figure of £P.20,000 is a reduced estimate and the scheme cannot be further curtailed.

13. *Construction of Three Police Posts.*—£P.6,600.

Provision was made in the draft Estimates for 1932-33 for the construction of six standard Police Posts in Jewish Colonies, following the scheme of protection recommended by Sir Herbert Dowbiggin. Three of these have now been deleted (see enclosure I) and are, therefore, included here.

The cost would be met from Revenue.

Each post would cost £P.2,200, and the number to be built will depend upon the funds available.

14. *Development of Reclaimed Area, Haifa Harbour.*—£P.26,000.

It is necessary to provide for the construction of roads and installation of the principal sewers in the area now being reclaimed in connexion with the Harbour.

The amount required, which is additional to the essential road and drainage connexions provided for in the revised scheme of Harbour Works expenditure (see paragraph 5 of covering despatch), must be found from Revenue.

The scheme has been modified by the substitution of a level crossing for a proposed overbridge, and cannot be further reduced.

15. *Law Courts, Jaffa and Tel-Aviv.*—£P.24,000.

It is proposed to erect suitable Court buildings to replace the existing hired premises, which are inconvenient and inadequate.

The funds would be provided from Revenue. The estimate includes provision of sites, and cannot be reduced.

16. *Land for Law Courts, Jerusalem.*—£P.20.000.

Although it is unlikely that it will be possible to undertake the construction of new Law Courts in the near future, the continued development of Jerusalem makes it desirable not to delay the acquisition of a suitable site.

The cost of the land would be met from Revenue.

The figure of £P.20,000 is an approximate estimate, but is not likely to prove excessive for the essential requirements of the Courts.

17. *Arterial Road, Haifa.*—£P.2,000.

It is proposed to construct the western portion of the arterial road at Haifa, to connect the existing road in the town with the Haifa-Tireh road, which is being constructed by Gaol Labour. The present track is impassable during the rainy season. The project was included in the draft Estimates for 1932-33, but has been deleted.

The cost of the work must be met from Revenue. No reduction is possible in the estimate.

18. *Road from Shefa Amr to the Haifa-Acre Road* —£P.6,000.

This road is intended to connect the town of Shefa Amr and the surrounding villages with Haifa. The town is separated from Haifa by marshy country which in winter becomes impassable to any traffic. The provision shown will be supplemented by labour and transport to be furnished by the townspeople.

The cost will be met from Revenue.

No modification of the scheme is possible

19. *Construction of a Jetty at Gaza* —£P.1,200.

Gaza is scheduled as a port, and a considerable volume of coastal trade passes through. The landing conditions are bad, and it is proposed to improve them by construction of a jetty.

Provision for this work was made in the draft Estimates for 1932-33, but has now been deleted (see enclosure I). The cost will be met from Revenue when funds are available.

The project cannot be modified to reduce its cost.

20. *Purchase of Municipal Stores and Offices within Port Area, Jaffa.*—£P.18,000.

It is proposed to acquire from the Municipality of Jaffa certain buildings at present held on lease and used as Customs Offices and Stores. An annual payment of £P.1,486 in rent will thus be saved; it is also desirable that the Government should be the sole owner of all property within the Customs area.

As the available balance of the amount allocated from Loan funds for the Jaffa Port Improvement Scheme is insufficient to cover this purchase, it was proposed to provide therefore from Surplus Balances. This has not been approved by the Secretary of State. The purchase is, however, desirable, and it is hoped to carry it out when the general financial situation improves.

The estimate of £P.18,000 was arrived at after lengthy negotiations with the Municipal Council, and it is unlikely that it can be reduced. There would be no advantage in purchasing a part only of the properties.

B.—Posts and Telegraphs Extraordinary.

1. *Additional Exchange Switchboards.*—£P.4,250.

This represents capital expenditure of a recurrent nature to meet the normal expansion of the telephone service. The whole of the expenditure is revenue—earning and the amount proposed is in conformity with the recommendations of the Financial Commission.

The funds will be provided from Revenue

Expenditure would be incurred as follows:—1932-33, £P.1,250; 1933-34, £P.1,500; 1934-35, £P.1,500.

2. *Additional Trunk Lines.*—£P.2,100

The remarks under Item 1 are applicable.

Expenditure would be incurred as follows:—1932-33, £P.900; 1933-34, £P.600; 1934-35, £P.600.

3. *Additional Subscribers' Circuits.*—£P.21,950.

The remarks under Item 1 are applicable

Expenditure would be incurred as follows:—1932-33, £P.7,350; 1933-34, £P 7,300; 1934-35, £P.7,300.

4. *Additional Cables.*—£P.9,200.

The remarks under Item 1 are applicable

Expenditure would be incurred as follows:—1932-33, £P.3,200; 1933-34, £P.3,000; 1934-35, £P.3,000

5. *Renewal of Cables, Jerusalem.*—£P 1,000.

To provide for the replacement of certain aerial cables by larger underground cables.

The cost will be met from Revenue.

The whole sum of £P.1,000 will be expended in the year 1932-33.

6. *New Telephone Exchange, Jerusalem.*

See Item 6 of foregoing section "Public Works Extraordinary."

7. *Wireless Telegraph Station, Jerusalem.*—£P.1,800.

A Government wireless telegraph station, available to the public, is required for the purpose of communicating with ships, and for the reception of news for various agencies. Its cost during the first year will be more than set off during the first year by the sum which Messrs. Reuter have agreed to pay for the reception of their new service from Rugby.

The cost will be met from Revenue.

The scheme cannot be modified to reduce the cost.

Expenditure of £P.250 will be incurred in the year 1932-33, and of the remaining £P.1,550 in 1933-34.

8. *Reconstruction of Telegraph Routes.*—£P.1,200.

To complete the reconstruction of the only section of old Turkish route which has not yet been rebuilt.

The cost would be met from Revenue.

Expenditure would be incurred as follows:—1932-33, £P.725; 1933-34, £P.475.

9. *Rural Automatic Telephone Exchanges.*—£P.1,900.

The introduction of automatic exchanges in certain rural areas will provide a 24-hours' service at a low cost and will also make possible a reduction of staff at other places where operators are now employed.

The cost will be met from Revenue.

Expenditure would be incurred as follows:—1932-33, £P.900; 1933-34. £P.500; 1934-35, £P.500.

C.—Railway Extraordinary

1. *Construction of new Locomotive Shops at Haifa.*—£P.46,500.

The work is under contract and is nearing completion.

The cost is being met from Loan Funds, Head 1. It is impossible now to modify the scheme.

2. *Fitting of 100 wagons with Vacuum Pipes and 25 Wagons with Vacuum Brakes.*—£P.2,500.

This is an essential safety measure.

The cost is being met from Revenue in the period January to March, 1932.

The material has already been ordered and advice has been received of the date of delivery of a portion. It would not therefore be economical to modify the scheme.

3. *Purchase of Six Benzine Tanks.*—£.P.1,400.

These are needed to meet the demands of local Oil Companies for the transport of benzine in bulk by rail. (See High Commissioner's despatch No. 1122 of the 24th December, 1931.)

The cost is to be met from Revenue.

4. *Purchase of Motors and Starters.*—£P.152.

These are essential in connexion with the transfer of the workshops to their new site.

The cost will be met from Revenue in 1932-33.

5. *Railway Renewals Fund.*—£P.130,000.

The Financial Commission recommended (paragraph 240) that provision of £P.60,000 should be made from surplus balances in each of the next two years, and of £P.40,000 in each of the following three years, for urgent renewals on the Palestine Railway. It is now proposed that the provision to be made in the next three years shall be as follows:—1932-33, £P.40,000; 1933-34 £P.45,000; 1934-35, £P.45,000.

6. *Provision of Quarters for Staff in the Lydda District.*—£P.1,954.

Present quarters are insanitary, and not weatherproof. The cost is to be met from Revenue, in the year 1932-33.

7. *Anti-Malarial Work at Athlit.*—£P.300.

This is necessary for the health of the local inhabitants. The cost is to be met from Revenue during the year 1932-33.

8. *Purchase of Two Boilers for 105 cm. gauge locomotives.*—£P.2,500.

Essential replacements.

The cost will be met from Revenue in the year 1932-33. If the purchase is not made, less efficient engines must be used and the speed of trains decreased.

9. *Water Supply Installation at Kantara.*—£P.4,000.

An essential renewal which cannot be postponed or modified without incurring the risk of pollution of the water, and a breakdown of the supply.

The cost is to be met from the Kantara-Rafa Railway Special Fund.

10. *Alterations and Additions in Haifa Railway Yard and Deviation of Train Line in connexion with new Harbour at Haifa.*—£P.14,000.

These are included in the revised Estimates for Haifa Harbour (see paragraph 5 of covering despatch) and will be met from Loan Funds, Item 3.

11. *Continuation of the Fitting of Goods Stock with Vacuum Brakes and Pipe.*—£P.10,000.

For safety, and for more economical and more efficient working. The equipment of these wagons will probably postpone the necessity for purchase of stock for increased orange traffic.

To be provided from Revenue.

The provision might be reduced to £P.5,000, but this would probably involve increased recurrent and capital expenditure in other directions.

12. *Loop Line at Rehovot.*—£P.650.

It is anticipated that Rehovot will become a very busy orange loading station during the next year or two, in which case a loop will be essential.

The cost would be met from Revenue.

The estimate cannot be reduced by modification of the plan.

13. *Staff Quarters at Lydda.*—£P.1,000.

Provision of further quarters, additional to those included in Item 6, is necessary.

The cost would be met from Revenue.

This construction could be postponed for a time, but the position, which is now unsatisfactory, would continue to become worse.

14. *Siding for Nesher Cement Company near Samakh.*—£P.150.

It is anticipated that the Company will shortly require a small siding to serve their gypsum workings. This will be an essential traffic requirement.

The cost would be met from Revenue.

15. *Construction of Goods Sheds at Rehovot, Petah Tiqva and Hadera.*—£P.5,520.

It is proposed to delete this item from the draft Estimates for 1932-33 (see enclosure 1), but the provision of these sheds will become necessary in the near future.

The cost will be met from Revenue.

16. *Purchase of Six Kerosene Tanks.*—£P.1,200.

The position in regard to the transport of kerosene and bulk by rail has eased somewhat for the present, and it is proposed to delete the item from the draft Estimates for 1932-33 (see enclosure 1). The provision may become necessary if the demand from the Petroleum Companies becomes stronger.

The cost will be met from Revenue.

17. *Improvements to Water-Supply Installations at Stations other than Kantara on the Kantara-Rafa Railway.*—£P.3,000.

It is proposed to delete this item from the draft Estimates for 1932-33 (see enclosure 1). The necessity for these improvements may be reconsidered in a year's time.

Enclosure 3 in No. 14.

WORKS FOR WHICH ASSISTANCE MIGHT BE ASKED FROM COLONIAL DEVELOPMENT FUND.

(a) *Minor Works for which Grant of Capital is Desired.*

Serial No. in Summary.	*Description of Work.*	*Estimated cost of Work.* £P.	*Approximate Amount to be spent in the United Kingdom.* £P.
A. 10 ...	Hydrographic Survey	7,856 ...	1,100
A. 18 ...	Jetty at Gaza	1,200 ...	100

(b) *Larger Works for which Grant of Interest might be sought.*

Serial No. in Summary.	*Description of Work.*	*Estimated cost of Work.* £P.	*Approximate Amount to be spent in the United Kingdom.* £P.
A. 1 ...	Jerusalem Water Supply	360,000 ...	200,000
A. 4 ...	Haifa Water Supply	200,000 ...	90,000
A. 6 ...	New Telephone Exchange ...	35,000 ...	34,000
A. 9 ...	Neblus Water Supply	20,000 ...	4,500
A. 12 ...	Hebron Water Supply	20,000 ...	8,000

C. 97005/32 [No. 23].

No. 15.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 16.]

SIR, Downing Street, 11th March, 1932.

I AM directed by Secretary Sir Philip Cunliffe-Lister to acknowledge the receipt of your letter No. S.35956/01/32 of the 29th February,* on the subject of the draft Estimates of Palestine for the financial year 1932-33, and to transmit to you, to be laid before the Lords Commissioners of the Treasury, copies of telegrams† from the High Commissioner for Palestine indicating the amendments which he proposes to make in the Estimates of Revenue and Expenditure in order to comply with the request contained in the Secretary of State's telegram of the 23rd February.‡ I am also to enclose three schedules, prepared in this Department, which explain the nature of the amendments proposed.

2 It will be seen that the High Commissioner now proposes to include a sum of £3,000 to cover the cost of leave passages for the police (as indicated in the letter from this Department of the 23rd February,§) and that, in despatches which have not yet been received, he will propose further expenditure of £3,000 for fumigation of citrus plantations and £800 in connexion with the preparation of statistics of unemployment, thus increasing the prospective deficit to £32,042.

In order to meet this deficit the High Commissioner proposes to raise an additional £5,000 of revenue by means of certain increases in import duties, as to which he is sending a despatch, and to reduce expenditure under various heads of the Estimates (excluding Public Works Extraordinary) by a total of £27.720, thus converting the deficit into a surplus of £678.

3. Schedule III contains a summary of the reductions which the High Commissioner proposes to make under Head XXX, Public Works Extraordinary, in order to comply with the decision that for the time being expenditure under this head should be restricted to £100,000, with a view to facilitating the provision of funds for the major capital requirements of immediate urgency, which formed the subject of the Secretary of State's telegram No. 20 of the 16th January‖ (Colonial Office letter of the 21st January¶). I am to enclose for reference a copy of the High Commissioner's Confidential despatch of the 27th February,** on the subject of the capital requirements of the Palestine Government for the next three years. The Secretary of State has not yet fully considered this despatch, and a further communication on this subject will be addressed to the Treasury in due course. In view of the possibility that, after full consideration of the question of providing funds for the capital requirements discussed in the despatch of the 27th February, it may appear practicable to increase the provision for Public Works Extraordinary in the Estimates for the year 1932-33, the Secretary of State hopes that Their Lordships will agree that the proposed reductions under Head XXX may be regarded as provisional and subject to reconsideration at a later date.

4. Sir Philip Cunliffe-Lister is anxious to convey to the High Commissioner a final decision on the draft Estimates before the end of the month, and he will be glad to receive at a very early date Their Lordships' approval of the draft Estimates of Revenue and Expenditure as now amended, on the understanding that the High Commissioner will be asked to consider the points of detail mentioned in the Colonial Office memorandum, of which a copy was enclosed in the letter from this Department of the 12th February.†† The Secretary of State will arrange that no expenditure is incurred on the construction of the proposed new post-office or new telephone exchange at Jerusalem, pending consideration of the proposals contained in the High Commisioner's Confidential despatch of the 27th February. As regards the revision of import duties and the expenditure on fumigation and collection of unemployment statistics, the Secretary of State accepts these proposals provisionally; when the despatches which the High Commissioner has promised on these matters are received, a further letter will be sent to you.

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* No. 11. † Nos. 12 and 13. ‡ No. 10. § C. 97015/32 [No. 4]: not printed.
‖ No. 6. ¶ C. 97028/32 [No. 2]: not printed. ** No. 14. †† No. 8.

5. I am to add that the Secretary of State would propose to urge upon the High Commissioner the importance of taking immediate steps to curtail expenditure in the event of revenue returns indicating the probability of a short-fall.

I am, &c.,
O. G. R. WILLIAMS.

Enclosure 3 in No. 15.

SCHEDULE I.

*Draft Estimates as amended by the Secretary of State's telegram No. 56.**

	£	£
Estimated Revenue. Draft Estimates, 1932-33		2,426,583
Add (1) Increased Customs Duties, High Commissioner's telegram No. 27†	10,000	
(2) Postal Rates, High Commissioner's Confidential despatch of 30th January‡...	4,500	
(3) Lighthouse dues, High Commissioner's telegram No. 36§	1,000	15,500
Total Estimated Revenue, 1932-33 ...		2,442,083
Estimated Expenditure. Draft Estimates, 1932-33	2,476,691	

	£		
Plus Mental Hospital	7,064		
Architects	1,170		
	8,234		
Less Police Training School	10,000		
Reduction in contribution to Renewals Fund	5,600		
Reduction in Defence	2,000		
	17,600		
		9,366	
Less			2,467,325
Deficit therefore			£25,242

SCHEDULE II.

As amended by High Commissioner's telegrams Nos 55|| and 59¶

	£	£
Deficit as shown in Schedule I		25,242
Add (*a*) Fumigation, High Commissioner's despatch No. 191 of 3rd March**	3,000	
(*b*) Leave passages for Police, see Colonial Office letter to Treasury dated 23rd February, 1932†† ...	3,000	
(*c*) Unemployment Statistics, High Commissioner's Confidential despatch of 4th March‡‡	800	6,800
Deficit thus becomes		£32,042

* No. 10. † C. 97005/32 [No. 8A]: not printed. ‡ C. 97151/32 [No. 1]: not printed.
§ C. 97099/32 [No. 8]: not printed. || No. 12. ¶ No. 13.
** C. 97362/32 [No. 1]: not printed. †† C. 97005/32 [No. 4]: not printed.
‡‡ C. 97189/32 [No. 2]: not printed.

Proposals for effecting economies.

		£	£
A.	*Revenue.*		
	Head I, Item 1, Import Duty, increase of	5,000	5,000
B.	*Expenditure.* Decrease.		
	(*a*) Head XXIX. *Posts and Telegraphs Extraordinary.*		
	(i) Item 5. New Telegraph Exchange, Jerusalem, reduction from £2,000 to £300	1,700	
	(ii) Item 7. Wireless Telegraph Station, Jerusalem, reduction from £1,550 to £250	1,300	3,000
	(*b*) Head XXXII. *Railways.*		
	Deletion of following items in Abstract F :—		
	(i) Item 2. Provision of goods sheds ...	5,520	
	(ii) Item 9. Kerosene waggons	1,200	
	(iii) Item 13. Improvements to water supply installations	3,000	9,720
	(*c*) Head III. *His Excellency the High Commissioner.* Item 14. Motor car. Reduced from ... £1,600—£400		1,200
	(*d*) Head V. *District Administration.*		
	Item 7. 9 Aides-de-Camp. Reduced by ...	1,500	
	Item 8. Expatriation Allowances. Reduced by	200	
	Item 34. Remuneration of Mukhtars. Reduced by	600	2,300
	(*e*) Head X. *Customs.* Item 49. Purchase of motor launch, deleted ...		1,250
	(*f*) Head XI. *Department of Health.* Savings on various items to be reported later ...		400
	(*g*) Head XII. *Education.* Savings on various items to be reported later, see page 6 of Palestine memorandum on Expenditure		2,500
	(*h*) Head XIV. *Forests.* Item 14. Afforestation. Reduced from £8,000 to £4,000		4,000
	Head XIX. *Survey.* Item 50. Purchase of steel presses, deleted ...		1,350
	Head XXV. *Posts and Telegraphs.*		
	Savings on various items to be reported later ...	500	
	Item 48. Special expenditure on regrading of staff, reduced by	1,500	2,000
			27,720
	Plus additional revenue		5,000
			£32,720

SCHEDULE III.

Provisional reductions in Head XXX to reduce amount provided therein to £100,000.

		Saving. £
Item 6	Construction of British Police Post, Artuf, reduction from £1,400—250	1,150
Item 11.	Beisan. Construction of Post Office and Quarters, deleted...	1,200
Item 21	Construction of a jetty, Gaza, deleted	1,200
Item 34.	Jerusalem. Construction of Arab Training College, reduction of vote to £50	12,500
Item 55.	Construction of central prison, Tulkarm, deleted	2,700
Item 60.	Arterial Road, Haifa, deleted	2,000
Item 61.	Widening of Arterial Road, Ramleh, deleted...	2,309
Item 65.	Construction of road from Shefa'Amr to Haifa-Acra Road, deleted	6,000
Item 78.	Construction of 6 Police Posts : 3 only to be constructed ...	6,600
Item 81.	Construction of Police Training School, deleted	10,000
		£45,659

C. 97005/32 [No. 26].

No. 16.

TREASURY to COLONIAL OFFICE.

(S. 35956/01/32.)

SIR, Treasury Chambers, 24th March, 1932.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Williams's letter of the 11th instant,* on the subject of the draft Estimates of Palestine for the financial year 1932-33 and They direct me to request you to convey to the Secretary of State the following reply.

2. My Lords note that when allowance is made for certain further expenditure now proposed by the High Commissioner the prospective deficit on the Palestine budget for 1932-33 becomes approximately £32,000; and that in order to meet this deficit the High Commissioner proposes to raise an additional £5,000 of revenue by means of certain increases in import duties, and to reduce expenditure under various heads of the Estimates (other than Public Works Extraordinary) by about £27,700, thus converting the deficit into a surplus of about £700.

3. My Lords are prepared to approve generally the draft Estimates as thus amended. Their approval is given, however, subject to the reservations made below and on the understanding that the High Commissioner will be asked to consider the points of detail mentioned in the Colonial Office memorandum, a copy of which was enclosed with Colonial Office letter of the 12th February.†

4. My Lords note that the Secretary of State will urge upon the High Commissioner the importance of taking immediate steps to curtail expenditure in the event of revenue returns indicating the probability of a short-fall.

5. As regards the provision under Head XXX, Public Works Extraordinary, My Lords agree that while the expenditure allocated to specific items set out in the Estimates should be limited for the time being to £100,000, the consequent reductions under this Head may be regarded as provisional and subject to reconsideration at a later date. In this connexion They will await the further communication promised in the letter under reply on the subject of the capital requirements of the Palestine Government for the next three years. They note that, until this matter has been further considered, no expenditure will be incurred on the construction of the proposed new post office or new telephone exchange at Jerusalem.

6. My Lords will also await further communications regarding (*a*) the proposed revision of import duties, and (*b*) the proposed expenditure on fumigation (£3,000) and on the collection of unemployment statistics (£800). Meanwhile Their sanction to these services should not, of course, be assumed.

* No. 15. † No. 8.

7. I am to add the following observations on the provision for staff in the draft Estimates.

8. With regard to new posts, the provision for which has been allowed to stand provisionally in the Estimates, Their Lordships assume that no appointments will be made thereto without Their being previously consulted. They assume also that They will be consulted with regard to the necessity for restoring the two posts of temporary Assistant Architect in the Public Works Department. They will be glad to receive information as to the grant of language allowances to members of the Police Force.

9. The additional provision of £3,000 in respect of cost of leave passages for members of the British Section of the Police has been allowed to remain in the Estimates upon the understanding that no expenditure will be incurred in this connexion without the concurrence of this Board.

I am, &c.,
R. V. NIND HOPKINS.

C. 97005/32 [No. 28].

No. 17.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER

(Sent 9 p.m., 30th March, 1932.)

TELEGRAM.

No. 85. YOUR despatch of 5th March, Confidential D.* I approve draft Estimates amended as indicated in that despatch and in your despatch of 27th February, Confidential "G,"† subject to the following :—

(1) Consideration of points of detail raised in memorandum enclosed with my despatch of 22nd February, Confidential (6).‡

(2) Reductions proposed under Head XXX, Public Works Extraordinary, in order to reduce total to £100,000 will be regarded as provisional and subject to reconsideration in light of decision as to capital requirements, but in meantime no expenditure should be incurred on construction of proposed new post office or new telephone exchange at Jerusalem.

(3) Proposed revision of import duties, I await your despatch.

(4) Expenditure referred to in (*a*), (*b*), and (*c*) in paragraph 2 of your despatch of 5th March, Confidential D, is reserved for further consideration. I will communicate with you separately as regards these proposals.

(5) Despatch on other points will follow shortly.—CUNLIFFE-LISTER.

C. 97005/32 [No. 29].

No. 18.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Confidential (3).)

SIR, Downing Street, 6th April, 1932.

I HAVE the honour to confirm my telegram No. 85 of the 30th March,§ in which I approved the draft Estimates for 1932-33 submitted with your Confidential despatch of the 31st December, 1931,‖ revised as indicated in your despatches Confidential G. of the 27th February† and Confidential D. of the 5th March.*

2. In the latter despatches you submitted proposals, in accordance with the suggestions contained in my telegram No. 56 of the 23rd February,¶ for (*a*) balancing the Estimates and (*b*) in addition, limiting the total provision under Head XXX, Public Works Extraordinary, to £P.100,000. I greatly appreciate your ready response to my suggestions.

3. You will, I feel sure, agree with me that it will be important to take immediate steps to curtail expenditure in the event of revenue returns indicating the probability of a short-fall in receipts. I shall accordingly be glad if you will ensure that the financial position is reviewed from time to time from this aspect, and if you will take all possible

* C. 97005/32 [No. 24] : not printed. † No. 14. ‡ C. 97005/32 [No. 15] : not printed.
§ No. 17. ‖ No. 5. ¶ No. 10.

steps, *e.g.*, by drawing up a reserve programme of further economies or additional taxation, to meet the contingency of a short-fall in revenue should it arise. In this connexion, I would invite attention to the remarks contained in the memorandum enclosed with my despatch Confidential (6) of the 22nd February* under Revenue Head III, Licences, Taxes, &c., Item 17, and Expenditure Head XXXII, Railways, Revenue, as to the possibility of the receipts under those items falling below the estimate. The estimate of £P.25,000 under Revenue, Head VIII, Miscellaneous, Item 1, profits from currency must also be regarded as highly speculative.

4. As stated in my telegram, my general approval of the Estimates is subject to consideration of the points raised in the memorandum enclosed with my despatch Confidential (6) of the 22nd February, 1932. I shall be glad to be furnished in particular with your observations on the points raised under the following Heads and items in that memorandum, namely:—

Expenditure.

Head IV, Item 10, 3rd paragraph.
Head V, Item 7.
Head XII, Items 4, 8, 10, and 11.
Head XIII, Clerical Staff.
Head XIV. Items 5, 6, and 11.
Head XV, Item 6.
Head XXI, Items 28, 36, 37, and 38.
Head XXIV.
Head XXVIII, Item 2.

5. You will no doubt now arrange for the draft Estimates to be revised as necessary, and printed off in their final form. The items to be shown under Head XXX, Public Works Extraordinary, in the published Estimates should, I consider, be confined to those included within the provisional reduced total of £P.100,000. The estimate totals will thus show a surplus on the year of some £P.36,000 which it may be decided to devote to urgent capital works other than those shown in the Estimates. The latter question is under consideration separately.

6. As you are aware, decisions are still outstanding on certain of the Financial Commission's recommendations including those relating to the Judicial Department, and the Agricultural, Veterinary, and Forest Services. The proposals referred to in (4) of my telegram No. 85 of the 30th March,† also await a decision; and it has been decided that pending a decision as to the provision of funds for major capital requirements of immediate urgency no expenditure should be incurred from the provision under Item 5 of Head XXIX and Item 32 of Head XXX for the construction of a new telephone exchange and a new post office respectively at Jerusalem. The question of the retention of two temporary Assistant Architects (*vide* your Confidential despatch C. of 9th January‡) is also still under consideration.

7. The items in the Estimates affected by the matters referred to in the preceding paragraph and any other matters still under consideration must, therefore be regarded as provisional, and a note might be included in the Estimates to that effect. No expenditure should be incurred on these items until approval is given.

8. In paragraph 10 of your Confidential despatch of the 31st December you proposed that the Estimates when approved should be made available to the general public. I see no objection to the publication of the Estimates in their approved form and you will, no doubt, make the necessary arrangements. I shall be glad if you will consider whether it will be advisable, in the circumstances, to retain Items 5 and 6 under Expenditure, Head XX, for the salaries of the Jewish and Arab Advisers to the Director of Development.

9. In paragraph 2 (6) of their Report the Financial Commission stressed the importance of furnishing the public with full details of the Budget. I am prepared to leave it to you to decide whether for this purpose it is necessary to preface the published Estimates with a full explanatory memorandum as suggested by the Commission. If you do not adopt this recommendation, I would suggest, for your consideration, that the notes on particular items contained in the "Remarks" column

* C. 97005/32 [No. 15]: not printed. † No. 17. ‡ C. 97339/32 [No. 1]: not printed.

which appears on the right-hand pages of the draft Estimates should be re-written and amplified in a form suitable for public information. I shall be glad if you will forward to me in due course 20 copies of the Estimates as published.

10. In conclusion, I desire to express my appreciation of the promptness with which the draft Estimates were submitted. I shall be glad if you will cause an expression of my appreciation to be conveyed to the officers concerned in their preparation.

I have, &c.,
P. CUNLIFFE-LISTER.

C. 97028/32 [No. 6].

No. 19.

MR. O. G. R. WILLIAMS (COLONIAL OFFICE)
to
MR. R. A. GRIEVE (TREASURY).

DEAR GRIEVE, Downing Street, 8th April, 1932.

You will no doubt remember that when the Palestine Estimates were dealt with we left over for further consideration the question of making provision for certain urgent capital works for which no provision had been made in the Estimates.

If you agree, we think that the best course would be for us to discuss this question informally with you in the first instance. For this purpose, I enclose two copies of a draft official letter to the Treasury setting out our views on the subject. This might perhaps serve as a basis for discussion.

If you agree perhaps you would suggest a convenient date for the meeting.

Yours, &c.,
O. G. R. WILLIAMS.

Enclosure in No. 19.

DRAFT.

The Secretary,
Treasury.

SIR, Downing Street, March, 1932.

WITH reference to the telegram of which a copy was enclosed in the letter from this Department of the 21st January, I am directed by Sir Philip Cunliffe-Lister to request you to inform the Lords Commissioners of the Treasury that he has now received a despatch from the High Commissioner for Palestine, containing a statement of the more urgent capital works for which it is desired to make provision during the next three years. A copy of this despatch was forwarded to the Treasury in the letter from this Department of the 11th March, on the subject of the draft Estimates of Palestine for the financial year 1932-33.

2. Their Lordships will recollect that the High Commissioner was asked to furnish this statement of capital requirements in order that consideration might be given to the possibility of providing funds for the auxiliary works connected with the Haifa Harbour Scheme, to which reference is made in paragraphs 3 to 5 of your letter S. 6836 of the 21st January, and for other major works which the Government of Palestine desired to undertake in the near future. It was clear that it would not be possible to finance all these works from the accumulated surplus, and it was accordingly considered essential to obtain a clear statement of requirements, in order of priority, with the High Commissioner's suggestions both as to the provision of the necessary funds and as to the possibility of reducing the estimates of cost.

3. I am to enclose a table summarizing the High Commissioner's proposals under three heads:—

Head I.—Works for which loan or other special funds are, or may be made, available.

Head II.—Municipal works for which it is proposed to raise loans from local banks, with the aid of the Palestine Government's guarantee.

Head III.—(A) Revenue-producing works.
(B) Non-revenue-producing works to be charged to revenue and surplus balances.

4. As regards Head I, it will be noted from paragraph 4 of the High Commissioner's despatch that the representative of the Consulting Engineers has now prepared a modified scheme, by which the cost of essential equipment for Haifa Harbour and of minimum railway, drainage, and road connexions, may be met from the approved loan provision of £1,250,000; and that, under Item A, 2, in Enclosure II to the High Commissioner's despatch, it is proposed to meet the cost of the Haifa drainage scheme (which will be reduced from £130,000 to £107,000) from Head 4 of the Guaranteed Loan, in place of the projected Government offices for which a sum of £119,541 had been provided under that Head. Separate letters will be addressed to the Treasury in due course with regard to these proposals. and also with regard to the proposed hydrographic survey which is estimated to cost £7,856; but in the meantime Sir Philip Cunliffe-Lister will be glad to learn whether Their Lordships are prepared to approve in principle of the proposed reallocation of Guaranteed Loan Funds.

5. Under Head II are included four water supply schemes, of which the most important are those for Jerusalem (£360,000) and Haifa (£200,000). Correspondence has already taken place with the Treasury on the subject of these schemes, and is still proceeding with the High Commissioner. It is understood that the High Commissioner contemplates obtaining loans for the Municipalities concerned from the local banks, subject to a guarantee by the Palestine Government; and, from a despatch recently received on the subject of the Jerusalem water supply scheme, it would appear that Barclays Bank would probably grant such loans, either at a flat rate of interest of 6 per cent., or at a rate of 1 per cent. above bank rate, with a minimum of 5 per cent., but that the loans would have to be repaid within five years.

6. In the case of the Haifa drainage scheme, Their Lordships have already expressed their objections to an arrangement of this nature, which would commit the Government of Palestine to raising a loan in this country within a definite period, and possibly at an inconvenient time; and the Secretary of State would feel bound to withhold approval of any proposals for obtaining loans from local banks on these terms. In view, however, of the importance and urgency of these water-supply schemes, especially the Jerusalem scheme, Sir Philip Cunliffe-Lister is anxious that every endeavour should be made to provide the necessary funds at the earliest possible date, and he will be glad to learn whether Their Lordships would be prepared in principle to sanction the raising in this country of a loan for these works, provided that in each case the Government of Palestine can show that there is a reasonable prospect of receipts from water charges being sufficient to cover (in addition to cost of maintenance and depreciation) all interest and Sinking Fund charges. As regards interest charges during the construction period, consideration would be given to the possibility of obtaining grants from the Colonial Development Fund, as suggested in Enclosure III to the High Commissioner's despatch.

7. Head III contains various items, to a total of £498,145, for which the High Commissioner suggests that provision should be made from revenue and surplus balances. Of this total, works costing £106,825 may be regarded as revenue producing.

8. As Their Lordships will be aware from perusal of the draft Estimates, the surplus balance at the 31st March, 1931, is estimated at £587,933. Allowing for the provisional reductions which have been made under Head XXX (Public Works Extraordinary) of the estimate of expenditure, the surplus at the end of the year 1932-33 may be estimated at £623,592, say, £620,000. If a sum of £130,000 is regarded as "impounded" in the sense of paragraph 293 of the Report of the Financial Commission, and allowing for a working balance of £150,000, the "free surplus" may be reckoned as £340,000.

9. Both the Financial Commission and the Lords Commissioners of the Treasury have drawn attention to the importance of building up a reserve fund against emergencies; and, in view of the continued uncertainty of the general financial situation,

the Secretary of State is inclined to doubt whether the retention for this purpose of the "free surplus" of £340,000 (which represents approximately 2½ months' revenue) could be regarded as excess of caution. For this reason, while anxious to facilitate the provision of funds for the urgent works detailed in the enclosures to the High Commissioner's despatch, the Secretary of State does not feel able to recommend in the current year any extensive expenditure from surplus balances. He trusts, however, that Their Lordships will see their way to agree to the inclusion of provision for the revenue-producing works shown under Head III (A) in the loan suggested in paragraph 6 above, provided that there is a reasonable prospect, as regards each work so included, that the revenue derived from that work (or the savings to be effected) will be sufficient to cover all maintenance charges, depreciation where necessary, and its proportionate share of the loan charges, including Sinking Fund charges.

10. As regards the list of works shown under Head III (B), the Secretary of State would propose, subject to Their Lordships' concurrence, to authorize the expenditure in the current year of a sum of £40,000 out of surplus balances, together with the sum of £35,000, which has been made available by provisional reductions under Head XXX of the Estimates, on such of these works as the High Commissioner may select, leaving the question of the provision of funds for the remainder to be considered in connexion with the draft Estimates for the year 1933-34.

I am, &c.,

PALESTINE CAPITAL WORKS PROGRAMME.

I.—*Works for which loans or other special funds are available.*

Description.	£	*Source from which funds can be provided.* £
Haifa Drainage	107,000	4½ million loan.
Government Press	57,000	,, ,, ,,
Haifa Locomotive Shops	46,500	,, ,, ,,
Haifa Railway Yard Alterations, &c. ...	14,000	,, ,, ,,
Total from £4½ million loan	224,500	
Hydrographic Survey	7,856	Development Loan.
Kantara-Rafa Water Supply	4,000	Kantara-Rafa Special Fund.
Total ...	£236.356	

II.—*Municipal works for which it is proposed to raise loans from local banks with aid of Palestine Government guarantee.*

Description.	£
Jerusalem Water Supply	360,000
Haifa ,, ,, ...	200,000
Neblus ,, ,, ...	20,000
Hebron ,, ,, ...	20,000
Total ...	£600,000

III.—*Works to be charged to revenue and surplus balances (omitting works for which provision has been retained in 1932-33 Estimates).*

(A). *Revenue-producing Works.*

Description.	£
Jerusalem Telephone Exchange	35,000
Development of reclaimed area at Haifa	26,000
Post and Telegraphs—various development works	27,825
Municipal Stores, Jaffa	18,000
Total ...	£106,825

(B). *Works not directly Revenue-producing.*

Description	£
Jerusalem Post Office	109,000
Police School	46,000
Arab Training College (balance)	15,000
Mental Hospital, Bethlehem	50,000
Police Posts	6,600
Law Courts, Jaffa and Tel-Aviv	24,000
Land for Law Courts, Jerusalem	20,000
Roads	8,000
Gaza Jetty	1,200
Railway Renewals (balance)	90,000
Vacuum Brakes	10,000
Loop Line, Rehovot	650
Staff Quarters, Lydda	1,000
Nesher Cement Siding	150
Goods Sheds	5,520
Kerosene Tanks	1,200
Railway Water Supplies	3,000
Total not revenue-producing ...	£391,320
,, revenue-producing ...	106,825
Total ...	£498,145

Summary.

	£
Head I.—Works for which loans or other special funds are available	236,356
,, II.—Municipal works for which it is proposed to raise loans from local banks with aid of Palestine Government guarantee	600,000
,, III.—(A) Revenue-producing works	106,825
(B) Not revenue-producing	391,320
Total ...	£1,334,501

C. 97028/32 [No. 11].

No. 20.

CAPITAL WORKS, PALESTINE.

CONCLUSIONS reached at discussion with Treasury on Friday, 6th May.

Present:

MR R. A. GRIEVE, MR. W. R. L. TRICKETT } Treasury.
MR. O. G. R. WILLIAMS, MR. H. F. DOWNIE, MR. E. R. E. SURRIDGE } Colonial Office.

1. The Treasury were informed that, in the light of recent information, the figures relating to surplus balances given in paragraph 8 of the draft Colonial Office letter* might be altered as follows:—

	£
Estimated surplus balance at 31st March, 1932 ...	722,122
Surplus balance at 31st March, 1933	757,681
say £750,000	

The draft Annual Report for 1931 gives the " impounded " portion of the surplus as £87,500, and it was agreed that £100,000 might be taken as an average figure.

* Enclosure in No. 19.

As a result of these adjustments the " free surplus " could be reckoned as £500,000.

The schedule of capital works enclosed in the draft letter was discussed:—

2. *Head I—Haifa Drainage*, £107,000.—Treasury will be prepared to exercise their powers of virement so as to enable the modified drainage scheme, £107,000 instead of £130,000, to be met out of the £4,500,000 loan in place of certain Government buildings included in Head IV of the Loan Schedule.

Government Press, £57,000.—The Treasury will ask that before authorizing any expenditure from loan on the Government Press we shall consider the question of asking the Stationery Office to lend us one of their experts to advise the Government of Palestine on their requirements with a view to reducing the estimate of cost.

Mr. Grieve suggested that Mr. Scoorgie of the Stationery Office should be consulted.

The Treasury had no comments on the other items under this Head.

3. *Head II.*—MR. GRIEVE appeared to be convinced of the urgency of the Jerusalem Water Supply and of the ultimate necessity for a loan for this service at any rate As temporary arrangements were proposed for watering ships on the opening of Haifa Harbour, he thought that the Haifa Water Supply could be regarded as less urgent.

As regards Neblus, the Treasury will now be prepared to give further consideration to the High Commissioner's proposals.

As for the Hebron Water Supply, we have no details and the scheme is not yet ripe for discussion.

The Treasury will probably take the line that two separate loans (one for capital works and one for development) cannot be contemplated, and that. if there is to be a loan, it will have to wait until a decision with regard to development can be taken.

N.B.—*Mr. Grieve was prepared to envisage the possibility of finding funds for the Jerusalem Water Supply provisionally from surplus balances, should the scheme be ripe for execution before the loan question were settled.*

4. *Head III.*—The Treasury preferred to place the Jerusalem Post Office (£109,000) along with the Jerusalem Telephone Exchange in Head III (A). Before considering the proposals for capital expenditure under Posts and Telegraphs they will ask us to obtain a complete profit and loss statement for the Department, distinguishing between telephone, telegraph and postal receipts and expenditure, and including on the expenditure side a proper share of loan charges.

The Treasury will probably raise no objection to the other three items under Head III (A).

As regards the works under Head III (B) which it is proposed to finance out of surplus balances, the Treasury will agree to the expenditure of £46,000 on the Police Training School (this may be spread over several years), and of a further sum of £30,000 on such other works in the list as the High Commissioner may select, on the understanding that with the exception of the Police School no works are undertaken which will commit the Government to expenditure outside the current year.

C. 97028/32 [No. 12].

No. 21.

COLONIAL OFFICE to TREASURY

[*Answered by No.* 22.]

SIR, Downing Street, 13th May, 1932.

WITH reference to the telegram* of which a copy was enclosed in the letter from this Department of the 21st January,† I am directed by Secretary Sir Philip Cunliffe-Lister to request you to inform the Lords Commissioners of the Treasury that he has now received a despatch‡ from the High Commissioner for Palestine, containing a statement of the more urgent capital works for which it is desired to make provision during the next three years. A copy of this despatch was forwarded to the Treasury

* No. 6. † C. 97028/32 [No 2]: not printed. ‡ No. 14.

in the letter from this Department of the 11th March,* on the subject of the draft Estimates of Palestine for the financial year 1932-33.

2. Their Lordships will recollect that the High Commissioner was asked to furnish this statement of capital requirements in order that consideration might be given to the possibility of providing funds for the auxiliary works connected with the Haifa Harbour Scheme, to which reference is made in paragraph 3 to 5 of your letter S. 6836 of the 21st January, and for other major works which the Government of Palestine desired to undertake in the near future. It was clear that it would not be possible to finance all these works from the accumulated surplus, and it was accordingly considered essential to obtain a clear statement of requirements, in order of priority, with the High Commissioner's suggestions both as to the provision of the necessary funds and as to the possibility of reducing the estimates of cost.

3. I am to enclose a table summarizing the High Commissioner's proposals under three heads:—

Head I.—Works for which loan or other special funds are, or may be made, available.

Head II.—Municipal works for which the High Commissioner proposes to raise loans from local banks, with the aid of the Palestine Government's guarantee.

Head III.—(A) Revenue-producing works.
(B) Non-revenue-producing works, to be charged to revenue and surplus balances.

4. As regards Head I, it will be noted from paragraph 4 of the High Commissioner's despatch that the representative of the Consulting Engineers has now prepared a modified scheme, by which the cost of essential equipment for Haifa Harbour and of minimum railway, drainage, and road connexions, may be met from the approved loan provision of £1,250,000; and that, under Item A, 2, in Enclosure II to the High Commissioner's despatch, it is proposed to meet the cost of the Haifa drainage scheme (which will be reduced from £130,000 to £107,000) from Head 4 of the Guaranteed Loan, in place of the projected Government offices for which a sum of £119,541 had been provided under that Head. Separate letters will be addressed to the Treasury in due course with regard to these proposals, and also with regard to the proposed hydrographic survey which is estimated to cost £7,856; but in the meantime Sir Philip Cunliffe-Lister will be glad to learn whether Their Lordships are prepared to approve of the proposed re-allocation of Guaranteed Loan Funds.

5. Under Head II are included four water-supply schemes, of which the most important are those for Jerusalem (£360,000) and Haifa (£200,000). Correspondence has already taken place with the Treasury on the subject of these schemes, and is still proceeding with the High Commissioner. It is understood that the High Commissioner contemplates obtaining loans for the Municipalities concerned from the local banks, subject to a guarantee by the Palestine Government; and, from a despatch recently received on the subject of the Jerusalem water supply scheme, it would appear that Barclays Bank would probably grant such loans, either at a flat rate of interest of 6 per cent., or at a rate of 1 per cent. above bank rate, with a minimum of 5 per cent., but that the loans would have to be repaid within five years.

6. In the case of the Haifa drainage scheme, Their Lordships have already expressed their objections to an arrangement of this nature, which would commit the Government of Palestine to raising a loan in this country within a definite period, and possibly at an inconvenient time. Except in the case of a small scheme such as the Neblus Water Supply (£20,000), concerning which a separate letter is being sent, the Secretary of State would feel bound to withhold approval of any proposals for obtaining loans from local banks on these terms In view, however, of the importance and urgency of the water supply schemes, especially the Jerusalem scheme, Sir Philip Cunliffe-Lister is anxious that every endeavour should be made to provide the necessary funds at the earliest possible date, and he will be glad to learn whether Their Lordships would be prepared in principle to sanction the raising in this country of a loan for these three works, provided that in each case the Government of Palestine can show that there is a reasonable prospect of receipts from water charges being sufficient to cover (in addition to cost of maintenance and depreciation) all interest and sinking fund charges. As regards interest charges during the construction period, consideration

* No. 15.

would be given to the possibility of obtaining grants from the Colonial Development Fund, as suggested in Enclosure III to the High Commissioner's despatch.

7. Head III contains various items, to a total of £498,145. for which the High Commissioner suggests that provision should be made from revenue and surplus balances. Of this total, works costing £P.215,825 may be regarded as revenue-producing.

8. As Their Lordships will be aware from perusal of the draft Estimates, and of the returns of revenue and expenditure for the quarter January-March, 1932, the surplus balance at the 31st March, 1932, is estimated at £P.722,122. Allowing for the provisional reductions which have been made under Head XXX (Public Works Extraordinary) of the estimate of expenditure, the surplus at the end of the year 1932-33 may be estimated at £P.757,681, say, £P.750,000. In paragraph 293 of their Report the Financial Commission stated that a total of £P.130,000 might be reserved for the "impounded" portion of the surplus, but at the end of 1931 only £P.87,500 was locked up in advances, &c. Allowing £P.100,000 as "impounded" and £P.150,000 for a working balance, the "free surplus" may be reckoned as £P.500,000.

9. Both the Financial Commission and the Lords Commissioners of the Treasury have drawn attention to the importance of building up a reserve fund against emergencies. While anxious to facilitate the provision of funds for the urgent works detailed in the enclosures to the High Commissioner's despatch, the Secretary of State does not feel able to recommend in the current year any extensive expenditure from surplus balances in view of the continued uncertainty of the general financial situation. He trusts, however, that Their Lordships will see their way to agree to the inclusion of provision for the revenue-producing works shown under Head III (A) in the loan suggested in paragraph 6 above, provided that there is a reasonable prospect, as regards each work so included, that the revenue derived from that work (or the savings to be effected) would be sufficient to cover all maintenance charges, depreciation when necessary, and its proportionate share of the loan charges, including sinking fund charges.

10. As regards the list of works shown under Head III (B), the Secretary of State would propose, subject to Their Lordships' concurrence, to authorize the construction of the Police Training School, estimated to cost £P.46,000 spread over three or four years. He also proposes to authorize the High Commissioner to expend the sum of £P.30,000 on such of the works provisionally deleted from Head XXX of the Estimates as the High Commissioner may select, on the understanding that each work chosen is completed before the end of the current financial year, thereby avoiding any commitment for the future. The question of the provision of funds for the remainder of the works would be considered in connexion with the draft Estimates for the year 1933-34.

I am, &c.,
O. G. R. WILLIAMS.

Enclosure in No. 21.

PALESTINE CAPITAL WORKS PROGRAMME.

I. *Works for which loans or other special funds are available.*

Description.	£	*Source from which funds can be provided.*
Haifa Drainage	107,000	4½ million loan.
Government Press	57,000	,, ,,
Haifa Locomotive Shops	46,500	,, ,,
Haifa Railway Yard, alterations, &c. ...	14,000	,, ,,
Total from £4½ million loan	224,500	
Hydrographic Survey	7,856	Development Loan.
Kantara-Rafa Water Supply	4,000	Kantara-Rafa. Special Fund.
Total	£236,356	

II. *Municipal works for which the High Commissioner proposes to raise loans from local banks with aid of Palestine Government guarantee.*

Description.	£
Jerusalem Water Supply	360,000
Haifa Water Supply	200,000
Neblus Water Supply	20,000
Hebron Water Supply	20,000
Total	£600,000

III. *Works to be charged to revenue and surplus balances (omitting works for which provision has been retained in 1932-33 Estimates).*

(A) *Revenue-producing Works.*

Description.	£
Jerusalem Telephone Exchange	35,000
Development of reclaimed area at Haifa	26,000
Posts and Telegraphs—various development works ...	27,825
Municipal Stores, Jaffa	18,000
Jerusalem Post Office	109,000
	£215,825

(B) *Works not directly revenue-producing.*

Police School	46,000
Arab Training College (balance)	15,000
Mental Hospital, Bethlehem	50,000
Police Posts	6,600
Law Courts, Jaffa and Tel-Aviv	24,000
Land for Law Courts, Jerusalem	20,000
Roads	8,000
Gaza Jetty	1,200
Railway Renewals (balance)...	90,000
Vacuum Brakes	10,000
Loop Line, Rehovot	650
Staff Quarters, Lydda	1,000
Nesher Cement Siding	150
Goods Sheds	5,520
Kerosene Tanks	1,200
Railway Water Supplies	3,000
Total not revenue-producing	282,320
Total revenue-producing	215,825
Total	£498,145

Summary.

	£
Head I.—Works for which loans or other special funds are available...	236,356
,, II.—Municipal works for which it is proposed to raise loans from local banks with aid of Palestine Government guarantee	600,000
,, III.—(A) Revenue-producing works	215,825
(B) Not revenue-producing	282,320
Total	£1,334,501

C. 97028/32 [No. 13].

No. 22.

TREASURY to COLONIAL OFFICE.

[*Answered by Nos.* 25 and 28.]

(S. 35956/07/32.)

SIR, Treasury Chambers, 15th June, 1932.

THE Lords Commissioners of His Majesty's Treasury have had before Them Mr. Williams's letter of the 13th May,* on the subject of the proposals of the High Commissioner for Palestine for the execution of certain capital works, and after careful consideration direct me to request you to convey to the Secretary of State the following reply.

2. My Lords note that the High Commissioner was asked to furnish a statement of capital requirements in order that consideration might be given to the possibility of providing funds for the ancillary works connected with the Haifa Harbour scheme and for other major works which the Government of Palestine desired to undertake in the near future. As it was deemed impossible to finance all these works from the accumulated surplus of Palestine revenues, it was decided to ask the High Commissioner to furnish a clear statement of requirements, in order of priority, accompanied by his proposals as to the provision of the necessary funds and the possibility of reducing the estimates of cost. The High Commissioner's proposals have now been received and are summarized in the Table enclosed in Mr. Williams's letter under three Heads, viz. :—

Head I.—Works, for which Loan or other Special funds are or may be made available;

Head II.—Municipal Works, for which the High Commissioner proposes to raise Loans from local Banks with the aid of the Palestine Government's guarantee;

Head III.—(A) Revenue-producing Works, and (B) Non-revenue producing Works, to be charged to Revenue and Surplus balances.

3. With regard to the proposed expenditure under Head I, I am to state as follows :—

(i) My Lords have by Treasury letter No. S 31061 of the 8th instant,† sanctioned the modified scheme prepared by the Consulting Engineer for carrying out certain ancillary works in connexion with the completion of Haifa Harbour at a cost of £59,000 to be met from the approved total of £1¼ millions allocated from the 1926 Guaranteed Loan moneys.

(ii) My Lords will await a further communication from your Department regarding the proposal to expend a sum of £107,000 on the Haifa Drainage scheme the necessary funds being provided by applying savings under Head 4 to Head 3 of the statutory Schedule. In this connexion I am to add that My Lords will be glad to be furnished with a restatement, complete to date, of all expenditure incurred and savings available under the two Heads of the Schedule respectively.

(iii) With regard to the proposal to spend from the 1926 Guaranteed Loan moneys the sum of £57,000 on a Government Printing Press, My Lords suggest that the Controller of His Majesty's Stationery Office should be consulted with a view to obtaining further advice on the question of the scope of the proposed service and the extent to which printing may be advantageously and economically undertaken by the Government of Palestine as a State enterprise.

(iv) With regard to the expenditure of £46,500 on the construction of Locomotive shops at Haifa, My Lords understand that the work has been let out on contract and that the necessary funds have already been set aside from the moneys available from the 1926 Guaranteed Loan. In these circumstances They agree that the work should proceed to completion.

(v) With regard to the proposed expenditure of £14,000 on the work of Railway yard alterations, &c., at Haifa, the information at present before Their Lordships is insufficient for Them to determine whether the work should be undertaken and funds are available to meet the cost; nor is it clear whether the work will be necessary in view of the adoption of the modified scheme

* No. 21. † C. 97058/32 [No. 22] : not printed.

recommended by the Consulting Engineer and approved by Treasury letter. No. S. 31061 of the 8th June.*

(vi) My Lords note that the Secretary of State will cause a separate communication to be addressed to Them on the question of an expenditure of £7,856 on a Hydrographic Survey of the Territory.

(vii) With regard to the proposed expenditure of £4,000 on the Kantara-Rafa water supply, My Lords will be glad to receive a further communication from your Department, acquainting Them with the views of the Secretary of State.

4. With reference to the four Water Supply schemes included under Head II of the High Commissioner's proposals, I am to state that My Lords agree that in no circumstances should these schemes be financed by the expedient of temporary local borrowing from the Banks. As regards the question of raising a loan in this country for the purpose, My Lords hold that it would be premature to consider the matter now. It appears to Them that the economic prospect is not sufficiently clear and the future financial capacity of Palestine too uncertain to warrant proceeding with any loan issue at the present time. Furthermore, Their Lordships would in any circumstances consider it necessary to await the views of the Secretary of State upon the resettlement proposals of the Director of Development, in order that the problem of Palestinian finance may be reviewed as a whole.

5. I am to add that My Lords note that beside the cost of the Water Supply schemes for Jerusalem, Haifa, and Hebron (estimated to cost £580,000), it is proposed that the cost of the works specified under Head III (A), which are estimated to cost £215,825, should also be included in the programme to be financed by a fresh loan issued in London.

6. With reference to the proposed expenditure of £20,000 on the Water Supply at Neblus, I am to state that the question will be dealt with by separate letter, in reply to Colonial Office letter of the 13th May.†

7. Reverting to the High Commissioner's proposals for undertaking the works specified under Head III (A), My Lords are of opinion that as a necessary preliminary to the consideration of the proposed expenditure on posts, telegraphs, and telephones, the Palestine Government should be prepared with proper accounts of the various activities of the Postal Department, separate particulars being given of the capital invested in and the profits and losses of the three sections—post, telegraph, and telephone. Apart from the question whether financial considerations would permit of the execution of the works, this information should be available for the purpose of supervising and generally controlling the Department's activities, particularly in the case of expanding services. With reference to the proposed expenditure of £26,000 on the development of land reclaimed at Haifa, I am to inquire whether it would be possible to include the cost in the available balance of the 1926 Guaranteed Loan moneys Lastly, with reference to the proposed expenditure of £18,000 on acquiring the freehold of certain property from the Municipality of Jaffa, I am to state that at the present juncture My Lords see no reason for departing from the views expressed in Treasury letter, No. S. 6484 of the 8th January last.‡

8. My Lords observe that under Head III (B) of his proposals the High Commissioner proposes that the following works, not directly revenue-producing, should be undertaken, viz. :—

		£	
(i)	Police School	46,000	
(ii)	Arab Training College (balance)	15,000	
(iii)	Bethelehem Mental Hospital	50,000	
(iv)	Police Posts	6,600	
(v)	Law Courts, Jaffa and Tel-Aviv	24,000	
(vi)	Lands for Law Courts, Jerusalem	20,000	
(vii)	Roads	8,000	
(viii)	Gaza Jetty	1,200	and
(ix)	Various Railways, works, &c.	111,520	
	Total	£282,320	

* C. 97058/32 [No. 22] : not printed. † No. 21. ‡ C. 87254/31 [No. 20] : not printed.

9. My Lords note that the Secretary of State is of opinion that after making allowances for certain commitments and for a working balance the *free* surplus balance of the Territory may be estimated at £½ million as on the 31st March, 1933.

10. My Lords are in entire agreement with the Secretary of State in considering that the reserves in the Palestine Treasury should be increased and that the present is not the time for launching capital works involving any extensive expenditure to be met from surplus balances. Their Lordships have also in mind the diminishing intake in certain blocks of revenue, evidence of which has recently been disclosed, as for example by Colonial Office letter, of the 31st May.* In deference to Sir Philip Cunliffe-Lister's views, however, They are prepared to approve the expenditure of a sum not exceeding £P.46,000 on the construction of the Police Training School, such expenditure to be spread over two or three years; and They also concur in his proposal to authorize the High Commissioner to expend a sum not exceeding £P.30,000 on such works as he may work undertaken is completed before the close of the current financial year and entails select from those deleted from Head XXX of the 1932-33 Estimates, provided that each no commitment thereafter.

11. My Lords cannot, however, leave the subject of these proposals for capital expenditure without expressing Their anxiety about the future economic and financial position of Palestine and Their apprehension that the administration of the territory is in process of being built up on a scale which may eventually prove to be beyond its capacity to support. During the past ten years, as a result of Jewish immigration and development, there has been a continuous flow of funds into Palestine from investment, subsidy, and loan sources, which it is reasonable to surmise has had the effect of swelling the revenues of the country, since the bulk of the money must necessarily have taken the form of imports on which customs dues are exigible. There has also to be taken into account the spending power of the working population whose earnings may to a considerable extent be attributed to capital expenditure. Notwithstanding the falling off of capital subscriptions, there are grounds for concluding that the revenues are still supported in a marked degree by these factors. It would be prudent to anticipate moreover that the flow of subscriptions will diminish further in the near future and may ultimately cease. Their Lordships regard it as problematical whether the revenues of the territory will thereafter be maintained at the present level, much less at the higher level of the earlier years. There should not be left out of account moreover the many social and other activities which have been inaugurated and hitherto supported by Jewish enterprise and finance. With the diminution of subscriptions from those sources the local administration may find itself faced with the problem of assuming the financial burden as the alternative to the discontinuance of services on which the population has grown to depend.

12. Regarding the matter broadly, it appears to My Lords that the economic effect of Jewish immigration is to convert lands previously cultivated extensively by the indigenous population for the production of cereals to the intensive cultivation of fruit. This in itself constitutes a danger to the social and economic life of the inhabitants. The extensive raising of crops rendered the country substantially self-supporting in regard to food supply. The intensive cultivation of fruit demands a market, and as new plantations mature and output increases, the difficulty of finding markets must tend to a progressive diminution of price. In unfavourable circumstances the upshot may be that a large element of the population is left without their former food supply, and the administration without resources for supplying their needs.

13. These considerations suggest that the whole machine of administration in Palestine should be kept as simple and inexpensive as possible; and in attaining that object the scale of capital expenditure on equipment is clearly a most important element. Capital development financed from loan funds in the manner proposed would have the effect of continuing and indeed intensifying the difficulties to which Their Lordships have referred. The country would experience a period of inflation whilst the loan moneys were being spent, to be followed by a slump in revenue and an increase in unemployment at the same time as the administration required larger resources to support the burden of its increased loan services.

14. My Lords trust therefore that the Secretary of State will agree that the most careful consideration is required before the Palestine Government is committed to any further capital expenditure, and that occasion may arise on which further steps must be taken to reduce the scale of administration of the Territory.

I am, &c.,
R. V. NIND HOPKINS.

* C. 97270/32 [No. 2] : not printed.

C. 97028/32 [No. 14].

No. 23.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 3.30 p.m., 21st June, 1932.)

TELEGRAM.

[*Answered by No.* 27.]

CONFIDENTIAL. No. 153. Your Confidential despatch of 27th February,* Capital works. Following additional expenditure approved:—

(*a*) £46,000 on Police Training School This will presumably be spread over 2 or 3 years.

(*b*) £30,000 during current year on such works as you may select from those deleted under Head 30 of Estimates 1932-33 provided that each work is completed before the close of the current financial year and entails no commitment thereafter. Despatch follows with regard to programme generally.—CUNLIFFE-LISTER.

C. 97028/32 [No. 15].

No 24.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by No.* 27.]

(Confidential (2).)

SIR, Downing Street, 30th June, 1932.

WITH reference to my telegram No. 153 of 21st June,† I have the honour to transmit to you, for your consideration, the accompanying copies of correspondence‡ with the Treasury on the subject of your proposals for expenditure on certain urgent capital works.

2. In my telegram No. 140 of 8th June,§ I have already conveyed approval of Mr. Buckton's revised scheme of expenditure on the completion of Haifa Harbour. In my Confidential despatch of 21st June‖ I have communicated to you the comments of the Crown Agents' Consulting Engineers on Mr Pearce's scheme for the drainage of Haifa. Pending a decision on the technical details of this scheme, I propose to postpone further consideration of the question of providing the necessary funds by applying savings under Head 4 of the Loan Schedule to Head 3.

3. In my Confidential despatch of 22nd June¶ I have asked you to furnish me with further details of the proposed expenditure on the Government Press. The proposed expenditure of £7,856 on a hydrographic survey will be considered in connexion with the reports of the Director of Development.

4. With reference to the water supply schemes for Jerusalem, Haifa, Hebron, and Neblus, you will observe that the Lords Commissioners of the Treasury share the objections which I feel to the suggestion that recourse should be had to loans from local banks. I have suggested that an exception should be made in the case of the small Neblus scheme, and I am awaiting a further communication from the Treasury on this matter. As regards the alternative of a loan in this country, Their Lordships would in any case consider it necessary to await such proposals as may be framed in the light of the reports of the Director of Development, and you will appreciate the difficulty of arriving at any decision with regard to a loan for capital works at this juncture. I am already in communication with you on the subject of the most urgent of these schemes, viz., the Jerusalem water supply, and I will shortly send you separate despatches with regard to the water supply schemes for Haifa and Hebron. When a final decision has been reached with regard to the technical and financial details of the Jerusalem scheme, I shall be prepared again to approach the Lords Commissioners of the Treasury with regard to the provision of the necessary funds.

5. With reference to paragraph 7 of the letter from the Treasury, I shall be glad if you will furnish me in a separate despatch with the desired particulars regarding the accounts of the posts, telegraphs, and telephone services. I shall also be glad

* No. 14. † No. 23. ‡ Nos. 21, 22, and 25. § C. 97058/32 [No. 23]: not printed.
‖ C. 97046/32 [No. 28]: not printed. ¶ C. 97271/32 [No. 1]: not printed.

if you will furnish me separately with a restatement, complete to date, of all expenditure incurred and savings available under Heads 4 and 3 of the Guaranteed Loan Schedule, together with your views on the suggestion that it might be possible to include the cost of the development of land reclaimed at Haifa (£26,000) in the available balance of the loan.

6. I shall be glad if you will give careful attention to the concluding paragraphs of the letter from the Treasury. I have no doubt that the important considerations to which Their Lordships have drawn attention are already present to your mind, and that you will do your best to ensure that they are not neglected by the responsible officers of any Department, particularly in connexion with the preparation of the annual Estimates.

7. In conclusion I have to express my appreciation of the promptness and completeness with which you have complied with my request for a summary of the capital requirements of the Government of Palestine for the next three years, and my regret that it has not been possible to furnish you with an earlier reply or with complete approval of your proposals.

As regards the items of the programme for which provision has had to be postponed, I assume that you will submit proposals in connexion with future Estimates; and if the financial position permits, I shall be glad to recommend such proposals to the Lords Commissioners of the Treasury for approval.

I have, &c.,
P. CUNLIFFE-LISTER.

C. 97028/32 [No. 16].

No. 25.

COLONIAL OFFICE to TREASURY.

SIR, Downing Street, 30th June, 1932

I AM directed by Secretary Sir Philip Cunliffe-Lister to acknowledge the receipt of your letter (S. 35956/07/32) of 15th June,* on the subject of the proposals of the High Commissioner for Palestine for the execution of certain capital works, and to transmit to you, for the information of the Lords Commissioners of the Treasury, a copy of a telegram† and despatch‡ on the subject which have been sent to the High Commissioner.

2. I am to offer the following comments on the various points mentioned in paragraph 3 of your letter:—

(*a*) A restatement, complete to date, of all expenditure incurred and savings available under Heads 3 and 4 of the Palestine Guaranteed Loan Schedule will be furnished in due course.

(*b*) The High Commissioner has been asked to supply further details of the proposed expenditure on a Government printing press, and also to consider the possibility of restricting this proposal to the provision of a small press for confidential and other special work. On receipt of his reply the Secretary of State will consider the suggestion that the Controller of His Majesty's Stationery Office should be consulted (see Colonial Office letter of 23rd June§).

(*c*) The item of £14,000 for railway yard alterations at Haifa is included in the Consulting Engineers' modified scheme for expenditure on the completion of Haifa Harbour.

(*d*) The expenditure of a sum of £4,000 from the Kantara Railway Renewals Fund on a new water supply at Kantara was approved in your letter S. 33672 of 14th May, 1931,‖ and the necessary provision was included in the Estimates for the current year (page 184).

3. Sir P. Cunliffe-Lister notes that Their Lordships share his objections to the High Commissioner's proposal that certain water supply schemes should be financed by means of loans from local banks. Their Lordships will, however, recollect that in the case of the Neblus water supply scheme, involving an expenditure of only £20,000, the Secretary of State, in view of the special conditions in that case, saw no objection

* No. 22. † No. 23. ‡ No. 24 § C. 97271/32 [No 4]: not printed.
‖ C. 87089/31 [No. 59]: not printed.

to this method of procedure. A separate letter will be addressed to the Treasury with regard to this scheme.

4. The Secretary of State appreciates the difficulty of arriving at a definite conclusion with regard to a loan for capital works, before a decision has been reached with regard to the settlement proposals contained in the Reports of the Director of Development. The technical, as well as the financial, aspects of the Jerusalem, Haifa, and Hebron water supply schemes are still under examination, and the Secretary of State is not yet in a position to submit final proposals with regard to any of them. The most urgent of these schemes, as Their Lordships are aware, is that for the water supply of Jerusalem; and the Secretary of State expects shortly to ask Their Lordships to give further consideration to the question of the provision of funds for this service.

5. With reference to paragraph 7 of your letter, I am to say that the Government of Palestine will be asked to furnish the financial details which Their Lordships require with regard to the posts, telegraphs, and telephone services. With reference to the proposed expenditure of £26,000 on the development of land reclaimed at Haifa, it is not anticipated that any balance of the Guaranteed Loan monies will be available for this purpose, but the High Commissioner will be asked for his views on the point

6. Sir P. Cunliffe-Lister is glad to learn that Their Lordships are prepared to agree to his proposals for limited additional expenditure during the current year (in the case of the Police Training School, spread over two or three years) from surplus balances. He has not overlooked the important considerations to which attention is drawn in paragraphs 11 to 13 of your letter; and he has no reason to suppose that these considerations, which have been emphasized on more than one occasion in recent years in the report of expert investigators, are not also present to the minds of the High Commissioner and his advisers. The Secretary of State will continue to impress upon the High Commissioner the importance of taking a long view of the future financial prospects of the territory, especially in connexion with the preparation of the Annual Estimates.

7. In view of the adoption of most of the economies recommended by the Financial Commission which visited Palestine little more than 12 months ago, the Secretary of State would regard it as reasonable to assume that there is for the present small scope for further reduction of establishments of curtailment of equipment; and he would not be disposed in the near future to favour any further measures to reduce the scale of administration, except in so far as additional retrenchment might be forced upon the Government of Palestine by stress of emergency, unless the High Commissioner can advise, as the result of experience, that a reduction is administratively possible, or unless there should be satisfactory evidence of excessive expenditure.

8. In conclusion, I am to say that the Secretary of State entirely concurs with Their Lordships' views as to the necessity for the most careful consideration before the Palestine Government is committed to further capital expenditure. At the same time he would see no ground for rejecting any items in the High Commissioner's programme so far as they can properly be met either by a reallocation of existing Loan funds, or by a loan in the case of urgent water supplies which should produce sufficient revenue to pay all annual charges, or by expenditure from surplus balances.

I am, &c.,
O. G. R. WILLIAMS

C. 97028/32 [No. 18].

No. 26.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Confidential.)

SIR, Downing Street, 21st July, 1932.

I HAVE the honour to refer to my Confidential telegram No. 153 of the 21st June* conveying approval, on certain conditions, of the expenditure of £30,000 during the current year on such works as you might select from those deleted under Head XXX of the Estimates for 1932-33, and to inform you that the Lords Commissioners of the Treasury have now agreed that items not previously included in the

* No. 23.

Estimates may also be selected on the same conditions from the list given under Head III (B) in the table enclosed in the letter to the Treasury of the 13th May.* This letter formed the first enclosure to my Confidential despatch (2) of the 30th June.†

I have, &c.,
R. W. HAMILTON.

C. 97028/32 [No. 20].

No. 27.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 8th August, 1932.)

[*Answered by No.* 30]

(Confidential.)

SIR, High Commissioner's Office, Jerusalem, 29th July, 1932.

I HAVE the honour to refer to your Confidential telegram No. 153 of the 21st June,‡ confirmed by your despatch Confidential (2) of the 30th June,† approving the expenditure of £P.30,000 during the current financial year on extraordinary works, supplementary to the provision of £P.99,635 under Head XXX in the published Estimates.

2. This approval was given on the understanding that the works, which were to be selected from among those previously deleted would be completed before the close of the current financial year, and would entail no commitment thereafter.

I forward herewith for your information a list of the works, involving an expenditure of approximately £P.29,264, which I have decided to carry out at a charge against the provision of £P.30,000. This list was drawn up after careful consideration with the Heads of Departments concerned, as a result of selection from items representing a total expenditure in the neighbourhood of £P.60,000.

I considered it desirable to extend the range of choice beyond those works which were deleted after inclusion in the draft printed Estimates, to—

(*a*) works which were proposed by Departments for inclusion in the Public Works Extraordinary Schedule for 1932-33 but were not included in it;
(*b*) works of which the need came to notice after the submission of the draft Estimates;
(*c*) railway works of specially urgent and remunerative character.

This extension appears to be implied by the reference to the " works shown under Head III (B) " in paragraph 10 of the Colonial Office letter of the 13th May,* which formed the first enclosure in your despatch Confidential (2) of the 30th June. Head III (B) contains Railway works as well as works other than those deleted under Head XXX of the current Estimates.

3. It will be observed that only one orange-shed, at Rehovoth, is provided for. In your telegram No. 156 of the 24th June, 1932,§ approval was given for the construction of three sheds, on the understanding that equivalent savings could be effected. Savings are not, however, realisable under Appendix E, and I therefore thought it well to enable the construction of the most important of the sheds to be carried out this year. The improved ventilation for orange-wagons is a complementary service, without which the Railways will be unable to handle the traffic supplied from the Rehovoth shed, and from the others when they are built. The provision of £P.1,350 will permit of the fitting of 450 wagons to convey what promises to be a very remunerative freight.

I attach a memorandum by the General Manager, Railways, on the subject.

4. The first six items of the list were deleted from Head XXX in the process of reducing its total to £P.100,000. Item 7—Fencing of the Reformatory School, Tulkarm —is obviously a work that ought not to be deferred, if funds are available, and this remark applies with no less force to Item 10—Additions and Improvements to Jerusalem Prison, and Item 14—Kitchens, &c., for Jerusalem Central Police Barracks, both works of which the necessity has long been urged by the Commandant of Police. The extension of accommodation for the British Police Camp at Mt. Scopus is also urgent (Item 17); and the safety of shipping, imperilled by the absence of a cross-bearing from Jaffa,

* No. 21. † No. 24. ‡ No. 23. § C. 97005/32 [No. 38]: not printed.

renders the erection of a lighthouse at Jaffa a pressing requirement. The cost of the lighthouse will be recouped from the Government's share of the gross receipts of the Lighthouse Administration.

It is perhaps unnecessary to enlarge upon the importance of expenditure on preliminary tests, surveys and investigation in connexion with the Jerusalem and Haifa Water Supply Schemes, and the search for further sources of water for villages.

5. I should explain that all the road works on the list will be referred to the Road Board before they receive my final sanction; that the construction of the Ramleh Arterial Road is conditional upon a contribution from the Municipality of 20 per cent. of its cost; and that it is possible that the Affuleh-Mesha Road improvements, necessary to secure all-weather access to an isolated Jewish colony and to complete a by-pass, important from the point of view of public security, from Affuleh to the Tiberias-Samakh Road, may be executed on a revised plan which is now being considered by the Director of Public Works, for less than £P.5,955. The additional provision of £P.700 for the North Road will enable an earth road, with such culverts as are required, to be carried through as far as the colony of Tel Mond.

I have, &c.,
ARTHUR WAUCHOPE,
High Commissioner for Palestine.

Enclosure 1 in No. 27

SCHEDULE.

		£P
1	Jetty, Gaza	1,200
2	Additions to Municipal Hospital, Gaza	350
3.	Quarantine Lazaret, Haifa (additional provision)	800
4	Arterial Road, Haifa (Bat Galim-Carmel Point)	2,000
5.	Widening of Arterial Road, Ramleh	2,309
6.	Construction of two additional Police Posts	4,400
7.	Fencing of Reformatory School, Tulkarm	150
8.	North Road (additional provision)	700
9.	Erection of Lighthouse, Tev-Aviv	1,200
10.	Additions and improvements to Jerusalem Prison	750
11.	Trial wells with pumping tests for Jerusalem Water Supply	1.000
12.	Preliminary investigations and surveys in connexion with Jerusalem and Haifa Water Supplies	1,000
13.	Borings for Village Water Supplies	1,000
14.	Kitchens, latrines, and lock-up office for Jerusalem Central Police Barracks	60
15.	Improved ventilation for orange wagons	1,350
16.	Construction of Goods Shed, Rehovot	1,840
17	Additional Accommodation Mt. Scopus, Jerusalem	3,200
18.	Improvements to Affuleh-Mesha Road	5,955
		£P.29,264

Enclosure 2 in No. 27.

General Manager's Office,
Haifa, 23rd June, 1932.

CHIEF SECRETARY,

Subject :—*Improved ventilation of Railway wagons for the transport of oranges.*

FOR some time the Orange Shippers, as represented by the " Pardess " Society and the Jaffa Fruit Company, have been pressing us to provide better ventilation in our wagons used for the transport of oranges for shipment and the Chief Horticultural Officer, who at first seemed to be doubtful, now appears to agree as to the necessity for this improvement

2. I have so far resisted the demand on the grounds that the oranges are only in the wagons for a very short time and that for the most part they are transported in cool weather. I have also drawn attention to the very cheap rate at which we carry the fruit which provides no margin for additional expenditure. Nevertheless the shippers contend that the vehicles become hot standing in the sun even in the cool weather and that the temperature in which the oranges travel is definitely damaging to fruit. We are not experts in this matter and must, therefore, accept the opinion of the Shippers and of the Chief Horticultural Officer.

3. The position has now acquired greater prominence and urgency owing to the fact that the Shippers expect to despatch to Haifa about 1,600,000 cases (or double the quantity last year) during the next season and it is, therefore, more necessary to make the most economical use possible of our wagons. This necessity will be emphasized in ensuing years as shipments from Haifa increase.

4. In the past an average load of 250 cases per steel-covered wagon has been obtained. This is considerably below the capacity but has allowed the existing ventilators (one at the top of each side of the wagon) to function unobstructed.

5. In order, as they say, to meet us the Shippers are prepared, though reluctantly, to load up to 275 cases without additional ventilation until the 15th February, when the weather begins to be warmer, but from that date would revert to 250 cases a wagon

6. With an additional ventilator on each side and with the provision of wooden battens to prevent movement of the top layer of cases which would be loaded flat on the other layers loaded on end the Shippers would be prepared to load 315 cases per steel wagon throughout the season.

7. As this would save one wagon in seven for part of the season and one in four for another part it is obviously an economical proposition.

8. For this reason I consider that the alterations should be carried out.

9. It is, however, a question of funds. The estimated cost is £P.3 a wagon, or a total of £P.1,350 for the 450 steel wagons used for the orange traffic.

C. R. WEBB,
General Manager.

C. 97028/32 [No. 21].

No. 28.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 29.]

SIR, Downing Street, 25th August, 1932.

WITH reference to paragraph 10 of Treasury letter No. S. 35956/07/32 of the 15th June,* I am directed to transmit to you, to be laid before the Lords Commissioners of the Treasury, the accompanying copy of a despatch† received from the High Commissioner for Palestine, enclosing a list of works involving an expenditure of approximately £29,264 which he has decided to carry out against the provision of £P.30,000 in the Public Works Extraordinary Vote.

2. Their Lordships will observe that the High Commissioner proposes to spend the sum of £P.12,099 on items deleted from the Estimates, including an additional £200 on additions to the Municipal Hospital, Gaza, or on those items included in Head III (B) in the Table enclosed in the letter from this Department of the 13th May,‡ an additional £2,250 on works for which some provision has already been made in the Estimates, and the balance, £P.14,915, on new works. Their Lordships will also observe that certain urgent new works have been substituted in place of those included in Head III (B) of the above-mentioned Table, but that the High Commissioner states that no commitment is entailed for the future.

3. Their Lordships will remember that, in the semi-official letter from the Treasury No. S. 35985/02/32 of the 5th July,§ sanction was given for the expenditure of the sum of £2,500 in respect of fitting of railway vehicles with vacuum-braking equipment to be met out of the sum of £30,000.

4. If Their Lordships agree, it is proposed to approve the expenditure of £29,264 on the items mentioned in the Schedule to the High Commissioner's despatch on the understanding that equivalent savings are found from the works on this

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* No. 22. † No. 27. ‡ No. 21. § C. 97104/32 [No. 146] : not printed.

Schedule, or from those already approved on the Public Works Extraordinary Vote or Abstract F of the Railway Estimates, to meet the sum of £2,500 for the fitting of vacuum-braking equipment, which was approved in the Secretary of State's Confidential despatch of the 13th August,* a copy of which was transmitted to the Treasury under cover of the letter from this Department of the 15th of August.†

5. I am to request the favour of a very early reply to this letter.

I am, &c.,
O. G. R. WILLIAMS.

C. 97028/32 [No. 23].

No. 29.

TREASURY to COLONIAL OFFICE.

(S. 35956/07/32.)

Treasury Chambers, 31st August, 1932.

SIR,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Williams's letter of the 25th August, 1932,‡ and the accompanying copy of a despatch§ from the High Commissioner for Palestine enclosing a list of works involving an expenditure of £P.29,264 which he has decided to carry out against the provision of £P.30,000 referred to in paragraph 10 of Treasury letter of the 15th June, 1932.‖

My Lords understand that the works shown in this list, which includes Railway as well as other works, will be completed before the close of the current financial year and will entail no commitment thereafter.

In reply I am to state that My Lords concur in the proposal to approve the expenditure of £P.29,264 on the items mentioned in the Schedule to the High Commissioner's despatch on the understanding that equivalent savings are found from the works on this Schedule, or from those already approved on the Public Works Extraordinary Vote or Abstract F of the Railway Estimates, to meet the sum of £2,500 for the fitting of vacuum-braking equipment, which has already been approved.

I am, &c.,
E. J. STROHMENGER.

C. 97028/32 [No. 24].

No. 30.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Confidential.)

Downing Street, 13th September, 1932.

SIR,

I HAVE the honour to acknowledge receipt of your Confidential despatch of the 29th of July,§ and to inform you that, after consultation with the Lords Commissioners of the Treasury, I approve the expenditure of £P.29,264 on the items mentioned in the Schedule to your despatch, on the understanding that equivalent savings are found from the works on this Schedule, or from those already approved on the Public Works Extraordinary Vote or Abstract "F" of the Railway Estimates, to meet the sum of £P.2,500 for the fitting of vacuum braking equipment, which was approved in my Confidential despatch of the 15th of August.*

I have, &c.
(for the Secretary of State),
R. W. HAMILTON.

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* C. 97104/32 [No. 185]: not printed. †C. 97104/32 [No. 203]: not printed.
‡ No. 28. § No. 27. ‖ No. 22.

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END

C. 97005/32 [No. 53].

No. 31.

TREASURY to COLONIAL OFFICE.

(S. 35956/01/2/32.)

Treasury Chambers, 30th September, 1932.

SIR,

I have laid before the Lords Commissioners of His Majesty's Treasury Mr. Williams's letter of the 23rd instant,* and the accompanying copy of a despatch from the High Commissioner for Palestine regarding the Estimates of Revenue and Expenditure of the Palestine Government for the year 1932-33.

In reply I am directed to request you to inform the Secretary of State that My Lords concur in his proposal to approve the Estimates as shown in the published volume enclosed with the High Commissioner's Confidential despatch of the 8th July, 1932.†

I am, &c.,
E. J. STROHMENGER.

C. 97005/32 [No. 54].

No. 32.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Confidential.)

Downing Street, 8th October, 1932.

SIR,

I HAVE the honour to acknowledge the receipt of your Confidential despatches of the 8th of July† and the 10th of August,‡ and to inform you that, after consultation with the Lords Commissioners of the Treasury, I approve the Estimates of Revenue and Expenditure of the Palestine Government for the year 1932-33, as shown in the published volume enclosed in your despatch of the 8th July.

I have, &c.,
P. CUNLIFFE-LISTER.

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* C. 97005/32 [No. 52]: not printed. † C. 97005/32 [No. 43]: not printed.
‡ C. 97005/32 [No. 51]: not printed.

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